Mopi Pte Ltd v Central Mercantile Corporation (S) Ltd
[2001] SGHC 328

Case Number : Suit 637/2000/Q

Decision Date : 31 October 2001

Tribunal/Court : High Court

Coram : Lai Siu Chiu J

Counsel Name(s) : Tony Yeo (as counsel) with Peh Chong Yeow (Lie Kee Pong Partnserhip) for the plaintiffs; G Radakrishnan and Tania Cheng (Khattar Wong & Partners) for the defendants

Parties : Mopi Pte Ltd — Central Mercantile Corporation (S) Ltd

Judgment

GROUNDS OF DECISION

Introduction

1. This case revolved around the issue of whether it was the plaintiffs or the defendants who were the first to use the **Hi-Bond** (hereinafter referred to as **Hi-Bond**) trademark/mark. In the course of the lengthy trial (12 days) involving no less than 13 witnesses, numerous exhibits were tendered to court by the parties as proof of the products each side sold, bearing the mark. As its name implies, **Hi-Bond** was/is used on products which require high bonding qualities. These products include tapes such as masking, foam, bakery, filament, cellulose, OPP and double-sided tapes as well as glues and sealants.

The background

2. Mopi Pte Ltd (the plaintiffs) are a local company incorporated on 1 August 1978; they were previously a partnership under the name Mopi Engineering, which was registered in or about 1974; one of its founder partners was a gentleman called Dua Beng. The plaintiffs' business (according to information filed with the Registry of Companies [ROC]) is general and wholesale trading and commission agencies; they market a wide range of tapes to industrial as well as retail, users. The plaintiffs have an authorised capital of $2m and a paid-up capital of $447,000. The plaintiffs' managing-director Lim Yew Hin (LYH) used to be the general manager and later, a director of Central Mercantile Corporation (S) Ltd (the defendants) from October 1974 until July 1997; he said he resigned due to differences with the management. The defendants however contended he was summarily dismissed.

3. After leaving the defendants, LYH joined the plaintiffs; he is now their shareholder and director (with his wife Poon Choon Yoke) as well as managing-director (since early 1998), taking over from Dua Beng. According to current records of the ROC, the other shareholders of the plaintiffs are Ling Yew Teck (brother of LYH), a Malaysian company Mopi (M) Sdn Bhd, Mopi Holding Pte Ltd (MHP) and Mew Jin Seng (Mew), a good friend and former superior of LYH. MHP is the biggest shareholder of the plaintiffs holding 337,000 shares equivalent to 75.4%. MHP is a company in which LYH and his wife are directors as well as shareholders, along with Dua Beng. Its paid-up capital is $86,000 against an authorised capital of $100,000. Dua Beng holds 50% of the shares while LYH and his wife hold the other 50%. Based on their shareholdings in MHP, LYH and his wife would own half () or 168,500 shares, of MHP's interest (337,000 shares) in the plaintiffs or 37.7% thereof. Dua Beng left the plaintiffs on 28 March 1998.

4. The plaintiffs do not manufacture what they sell. They contract-manufacture their products from suppliers in the United States, Canada, Taiwan and Malaysia. One Taiwanese company Achem Technology Corporation has apparently been manufacturing **Hi-Bond** tapes for the plaintiffs since 1991 (N/E 5). According to his written testimony (para 28), LYH claimed the plaintiffs' sales volume for **Hi-Bond** products exceeded $5.6m between 1997-99, of which 60% was for adhesives.

5. The defendants were incorporated much earlier than the plaintiffs namely, on 14 July 1969, under its former name Supremacy Industries Limited; it changed to its present name in April 1974. They are a wholly owned subsidiary of WTK Holdings Bhd (formerly known as Samanda Holdings Bhd) a Malaysian company listed on the Kuala Lumpur Stock Exchange. At the time when LYH was with the defendants, Mew was also a director of the defendants. Currently, the directors of the company are two (2) East Malaysians and Chan Yoke Mooi @ Connie Lim (Connie Lim) . Connie Lim first joined the defendants as its company secretary in 1988 and rose through the ranks to become its executive director in June 1997, shortly before LYH left.

6. The defendants' principal activity is similar to the plaintiffs; they market and sell adhesive tapes under various trademarks including **Hi-Bond, Nikko, Kawasaki, Senisui, Star** and **Jupiter** etc. They also sell sealants and packaging materials for industrial use such as pallet stretch film, polyprophylene straps, air bubble packs, corrugated paper and waterproof paper. According to Connie Lim, the company averaged an annual turnover of $20m over the past five (5) years of which $12m was from packaging materials, including tapes. The defendants have an authorised capital of $10m with a paid-up capital of $4m. In terms of size and turnover, the defendants are a far bigger company than the plaintiffs.

7. Like the plaintiffs, the defendants also contract-manufacture their products from specialist manufacturers in Malaysia, Taiwan, Korea, Philippines, Canada, United States or Italy. Two (2) of their biggest contract-manufacturers are Malaysian companies Loytape Industries Sdn Bhd (Loytape) and Central Industrial Corporation Bhd (CIC). The products contract-manufactured by Loytape for the defendants were/are OPP tapes under the **Hi-Bond** brand. The defendants did not/do not contract manufacture glues or sealants. Loytape was a sister company of the defendants when both belonged to the Samanda/WTK group. Presently, the defendants are the sole agents in Singapore for Loytape's products including adhesive tapes marketed under the **Loytape** brand. Where they do not contract-manufacture, the defendants would buy products from third parties for sale to their own customers.

The facts

8. According to LYH, the first trademark the plaintiffs applied on its products was **Hi-Bond**. Later, the plaintiffs expanded their range of products to include usage of **Hunter** and **Mopi** trademarks. LYH claimed that the plaintiffs' sales of glues, sealants and PTFE (pipe sealing) tapes with the **Hi-Bond** mark was so successful that the company decided to expand its use to other products. In the event, the plaintiffs used **Hi-Bond** on super-glue, silicone sealant, acrylic sealant, hydro-bloc sealant, liquid gasket, wood glue, masking tape, OPP tape, double-sided tissue tape, double-sided foam tape, colour hard PVC tape, filament tape and PVC protection tape. Colour photographs of the plaintiffs' main products (not exhaustive) were exhibited in the affidavit evidence of LHY (in **LYH-7**) and samples of their various products were also produced in court (as examples see **P1-16, P19, P21 and P24**).

9. Based on the plaintiffs' records of trademark applications, LYH said the plaintiffs had applied for registration of the **Hi-Bond** mark as far back as 5 February 1979 (see PB3) but he did not know the outcome. On 12 February 1979, the plaintiffs obtained a registration in respect of the mark no.

T79/79096B. The representation of the registered mark came with the word **Mopi** against a diamond shape dark background as shown in figure A of the annexure herein. After 1980, the mark was changed to a simpler pictorial representation with only the word **Hi-Bond** and without the word **Mopi.** LYH explained the change was necessitated by wholesalers who complained that the word **Mopi** in the mark may lead customers to buy direct from the plaintiffs, particularly for 20gms super-glue, thereby bypassing them. Between 1980 and 1988, the **Hi-Bond** mark was used mostly on glues. After 1990, the plaintiffs added the **Hi-Bond** mark to masking, OPP, filament, double-sided, tissue, foam and PVC protection, tapes.

10. Due to an oversight, the plaintiffs omitted to renew the **Mopi Hi-Bond** mark under registration no. T79/79096B upon its expiry (after 10 years) on 12 February 1986. Even so, LYH asserted that the plaintiffs were the originators and proprietors of the **Hi-Bond** mark notwithstanding the expiry of its registration. This was to be contrasted with the defendants who first applied for registration of the **Hi-Bond** mark only in 1996. Between 1987 and 1999, the plaintiffs filed no less than 15 trademark applications all relating to **Hi-Bond**. Between 1980 and 1997, the plaintiffs spent increasing amounts on advertising the **Hi-Bond** mark in the Yellow Pages and other publications.

11. In the late 1970s, LYH and the sales team of the plaintiffs thought it would be beneficial for the company to sell its **Hi-Bond** products to the defendants. With Dua Beng's agreement, the plaintiffs sold glues, sealants and PTFE tapes to the defendants to both parties' mutual advantage.

12. Sometime in 1987, the defendants proposed that they contract-manufacture **Hi-Bond** masking and OPP tapes for the plaintiffs in Malaysia. As this would be cheaper for the plaintiffs than having the products contract-manufactured by their sources in Canada and Taiwan, the plaintiffs agreed. **Hi-Bond** masking tapes were therefore manufactured by CIC while OPP tapes were produced by Loytape. However, or so the plaintiffs claimed, it was a condition of the arrangement that CIC and Loytape could only manufacture for the plaintiffs, not sell the products in Singapore either directly or through the defendants. Because of the then cordial relationship and trust which existed between the parties, the agreement was never put into writing. The plaintiffs' version of this event was disputed by the defendants; I shall set out their version later.

13. In late 1988, the defendants faced increasingly stiff competition from other market players for adhesive tapes. Accordingly, after meeting with and obtaining feedback from, sales staff of the plaintiffs and defendants who sold **Hi-Bond** products (which included the defendants' sales supervisor Ling Yew Teck and their marketing manager Tan Teck Lian (Allan Tan), the plaintiffs/Dua Beng agreed that the defendants would be allowed to use the **Hi-Bond** mark on masking tapes, on the following understanding:

> (i) the plaintiffs' sales staff would sell the masking tapes to hardware and paint shops as well as to industrial outlets;
>
> (ii) the defendants' sales staff would concentrate on sales to stationery shops, industrial outlets and paint shops not serviced by the plaintiffs;
>
> (iii) neither company would compete for the same customers/shops.
>
> (iv) the plaintiffs had the right to terminate the arrangement at any time and the defendants would then have to stop using the **Hi-Bond** mark.

LYH produced a letter from the plaintiffs dated 18 June 1997 (addressed **To whom it may concern**) signed by Dua Beng to support this evidence. He also referred to the plaintiffs' letter dated 25 July

1997 to CIC signed by Dua Beng. However, Dua Beng gave different versions of how he came to sign the letters (2) when he testified.

14. LYH further claimed that because of the then cordial relationship between the plaintiffs and the defendants, the plaintiffs/Dua Beng did not ask the defendants/him to pay any royalties for the use of the **Hi-Bond** mark. Neither was the arrangement evidenced in writing. To reciprocate the plaintiffs' goodwill, the defendants allowed the former to manufacture products under such brands as **Kawasaki, Star** and **Senisui**. LYH claimed credit for devising these three (3) trademarks as well as **Apollo, Clipper** and **Nikko,** for the defendants. He claimed it was also understood that either party was entitled to source for **Hi-Bond** products from whichever contract-manufacturer could provide the cheapest prices, with the result that sometimes the plaintiffs bought from the defendants and at other times, the position was reversed. According to LYH, due to the close relationship between the parties, the plaintiffs even obtained input from the defendants when design changes were made over the years to the pictorial representation of the word **Hi-Bond**.

15. After LYH's resignation from the defendants, the close relationship between the parties ceased. The plaintiffs wanted the defendants to stop using the **Hi-Bond** mark and wanted CIC to stop manufacturing **Hi-Bond** masking tapes. LYH even telephoned Allan Tan of the defendants in this regard. Instead of acceding to the plaintiffs' request, CIC (through its Singapore solicitors) asserted ownership of the **Hi-Bond** mark by a letter dated 19 February 2000 to the plaintiffs. LYH alleged that the defendants even copied the plaintiffs' accordion packaging for masking tapes after he left the company.

16. In an earlier letter dated 3 February 2000 to the defendants' solicitors, the plaintiffs had asserted ownership of the **Senisui** trademark. By their solicitors' letter dated 15 August 2000 however, the defendants required the plaintiffs to cease and desist from acts of passing-off in respect of **Senisui;** the plaintiffs did not comply. The defendants also discovered at some stage that the plaintiffs had offered for sale in their product brochure adhesive tapes bearing a mark similar to the **Star** brand. Again, they wrote to the plaintiffs through their solicitors to cease and desist such acts of infringement; the plaintiffs did not comply.

The litigation

17. In 1999, the plaintiffs instructed their solicitors to engage private investigators to make trap purchases of **Hi-Bond** products from the defendants. Trap purchases of the defendants' **Hi-Bond** masking and double-sided tapes were indeed made, which the plaintiffs claimed were almost identical to the plaintiffs' equivalent products (save for slight differences in packaging). The plaintiffs alleged this caused confusion in the market although the quality of the defendants' products was inconsistent, leading to complaints from end-users. As a consequence, the plaintiffs had to exchange the defendants' products for their own at the plaintiffs' expense. It also led to the plaintiffs having to undercut the defendants' prices. The outcome of this was, that the plaintiffs lost many trusted customers.

18. On their part, the defendants also despatched private investigators to the plaintiffs' premises on 28 June 2000 to make trap purchases of **Hi-Bond** adhesive tapes and sealants. On 12 July 2000, the defendants' private investigators purchased **Nikko** adhesive tapes and glue from the plaintiffs' premises which were not manufactured by/for the defendants. The defendants' private investigators made similar trap purchases from the plaintiffs of **Kawasaki** adhesive tapes on 20 July 2000.

The pleadings

19. In August 2000, the plaintiffs commenced these proceedings. In their statement of claim they asserted they had acquired substantial reputation and goodwill in the **Hi-Bond** trademark due to the following factors:

> a. they had continuously and extensively used the words **Hi-Bond** in the course of their business since 1978 (originally the year was stated to be 1974) on a whole range of products;
>
> b. they had spent substantial sums in advertising and promoting the **Hi-Bond** brand since 1978;
>
> c. their sales volume for the last three (3) years bearing the **Hi-Bond** mark totalled about $5m in Singapore and $600,000 in Malaysia;
>
> d. they were the registered owner of trademark TM B/79096 in class 1 in respect of the **Hi-Bond** mark which had since expired but they had applied since 1979 for registration of the mark again.

20. The plaintiffs alleged in or about 1990 they contracted CIC and the defendants to manufacture **Hi-Bond** masking tapes in Malaysia for delivery to the defendants (as CIC's distributor) in Singapore for supply to the plaintiffs, which arrangement was terminated in July 1991. They alleged that in or about mid-1998, they discovered that the defendants were passing off their products as the plaintiffs' **Hi-Bond** products. The plaintiffs prayed inter alia, for an injunction and an inquiry as to damages against the defendants.

21. The defendants raised a multi-pronged attack in their (lengthy re-amended) defence and counterclaim, they:-

> a. denied that the plaintiffs were the first users of the **Hi-Bond** mark and asserted the defendants are the lawful proprietors of the trademark in Singapore having used and continued to use the same, since 1987 in respect of adhesives tapes of all kinds/uses;
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> b. alleged the plaintiffs had wrongfully appropriated the **Hi-Bond** mark from the defendants and used it on adhesive tapes long after the defendants' first use, without the defendants' knowledge or consent, due to LYH's unique situation of being employed by the defendants before he joined the plaintiffs;
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> c. alleged that in the 22 years he was managing-director of the defendants, LYH directly or indirectly controlled the plaintiffs and then MHP, from 1990 onwards;
>
> d. contended that LYH well knew the defendants' ownership and profitable use of the **Hi-Bond** trademark for adhesive tapes and without informing the defendants, appropriated the mark for the plaintiffs whilst at the same time purchasing **Hi-Bond** adhesive tapes from the defendants;
>
> e. alleged the plaintiffs' purchases from the defendants was a pretext to show that the plaintiffs dealt in **Hi-Bond** adhesive tapes while at the same time procuring **Hi-Bond** adhesives tapes from other unauthorised sources. Most of

the adhesives tapes sold by the plaintiffs prior to July 1997 were obtained from the defendants;

f. alleged that when the defendants discovered his breach of fiduciary duties, LYH's services were terminated in July 1997;

g. contended that the plaintiffs' alleged registration and pending registration, of the **Hi-Bond** trademark, were wrongful misappropriation of the defendants' **Hi-Bond** trademark facilitated by LYH in breach of his fiduciary duties and without the knowledge of the defendants;

h. averred that subsequent to the dismissal of LYH, the defendants had filed various applications to register not only **Hi-Bond** (in classes 1, 16 and 17) but also their other trademarks such as **Nikko, Star, Senisui** and **Kawasaki;**

i. pointed out that contract-manufacture by CIC of **Hi-Bond** adhesives tapes for the defendants, was consistent with the defendants' proprietorship of the **Hi-Bond** mark;

j. pointed out that the plaintiffs' letter dated 25 July 1997 to CIC was never sent to the defendants and in any case contained untruths and misrepresentations;

k. averred that the plaintiffs were guilty of delay, laches and acquiescence the defendants had manufactured and sold adhesive tapes bearing the **Hi-Bond** mark for over 13 years; this fact was well-known to the plaintiffs but they failed to take action, even after LYH had joined them for 3 years.

22. Not content with contesting the plaintiffs' claim, the defendants took the offensive and filed a counterclaim against the plaintiffs alleging that the latter had passed off their adhesive tapes as the defendants' **Hi-Bond** adhesive tapes. The defendants further alleged that the plaintiffs had passed off in the course of trade their adhesive tapes as that of the defendants' which were identical to or closely resembled the marks **Nikko, Kawasaki, Senisui.** They alleged that the plaintiffs had also infringed their registered trademark **Star** in respect of adhesive tapes by offering for sale in the course of trade, adhesive tapes bearing a mark similar to **Star**. Further, the plaintiffs had applied (on 5 November 1997) to register a trademark identical to the **Star** mark, thereby manifesting an intention to infringe. Consequently, the defendants counter-claimed against the plaintiffs inter alia, for a permanent injunction to restrain the plaintiffs from infringing/passing off adhesive tapes for those under the four (4) trademarks abovementioned.

23. In the (re-amended) Reply and Defence to the Counterclaim, the plaintiffs not only denied they had passed off their products as those under the marks **Nikko** and **Kawasaki** but went further to say they, not the defendants, were the originators and proprietors of the **Nikko** mark for glues and, they had manufactured and sold **Kawasaki** adhesive tapes for the past ten (10) years, with the defendants' knowledge. The plaintiffs admitted they had applied for registration of the marks **Senisui** and **Star** in class 16 .

24. On the first day of this trial however, the court was informed that the parties had resolved amicably, part of the defendants' counterclaim. By consent, judgment was entered on 14 February 2001 for the defendants and a permanent injunction was granted against the plaintiffs, for the trademarks **Nikko, Kawasaki, Senisui** and **Star**, prohibiting the plaintiffs from passing off, manufacturing, purchasing etc adhesive tapes bearing those marks. In the course of the trial (N/E

87), the defendants on their part conceded that they had obtained supplies of **Hi-Bond** glue and sealants from the plaintiffs (after they had re-amended the Defence and Counterclaim).

The evidence

(i) the plaintiffs' case

25. The key/first witness for the plaintiffs was LYH whose testimony was also lengthy, due partly to the fact that he needed to be recalled after Dua Beng had testified. The plaintiffs' version of events as set out in the preceding paras 2 to 15 was largely gleaned from the written testimony of LYH.

26. When cross-examined, the following evidence was adduced from LYH:-

a. the plaintiffs had moved several times from its first location at Upper Serangoon Road as follows:

(i) 31, Marshall Road (1980);

(ii) Block 6001, Bedok Industrial Park C (1983);

(iii) 80, Playfair Road #02-18 (1987);

(iv) 145, Ubi Avenue 4 (1994);

(v) 223, Ubi Avenue 4 (1997);

b. the plaintiffs' application (signed by Dua Beng) for registration of the **Hi-Bond** mark in 1979 (see PB3) stated their address as at 80, Playfair Road when they only moved there in 1987; the application also showed two addresses for the Registry of Trademarks (the Registry), one at Colombo Court and the other at Tanglin Road; the Registry moved from Tanglin Road to Colombo Court only in 1987. LYH claimed he found the application as it appeared in the plaintiffs' file and did not notice these discrepancies;

c. the plaintiffs' application to register **Hi-Bond** on 28 October 1987 also signed by Dua Beng again showed the above two addresses of the Registry and yet, a day later, the Registry had written to the plaintiffs from its Colombo Court address, crossing out its Tanglin Road address;

d. he claimed that the plaintiffs never used **Mopi Hi-Bond** mark after 1988, yet LYH produced an invoice from Leonie Trading Company dated 9 March 1992 (AB1367) billing the plaintiffs $100 for printing 1,000 pieces of stickers for:

Mopi Hi-Bond rapid bonding adhesive Net Weight 20gms
Made in Japan;

e. the plaintiffs could not produce documents to evidence sales of glues bearing **Mopi Hi-Bond** mark between 1979-80 because, it was *too long ago, the plaintiffs moved too many times* (N/E 19). Neither did the plaintiffs have evidence of sales of **Hi-Bond** glues between 1980-88;

f. the Yellow Pages advertisements of the plaintiffs showed no advertisements for **Hi-Bond** glue (save for super and epoxy glue) from 1980 to 1997 but LYH claimed the mark was used on the plaintiffs' glue; he explained it was because the plaintiffs' main customers were not consumers but factories (but no invoices were produced in support thereof);

g. the plaintiffs used **Hi-Bond** mark on 1-2 types of sealants between 1979-88 but there were no advertisements of those sealants nor invoices of such sales (save for exhibit **P29**, a supplier's invoice for silicone sealant from Commercial Supplies (Far East) Pte Ltd dated 22 January 1988 for which counsel asked for but LYH could not produce, the original nor could he explain why he could not);

h. the plaintiffs first used the **Hi-Bond** mark on acrylic sealants sometime between 1981-88 but it was not advertised nor documented in invoices from suppliers or customers

i. the plaintiffs' first use of **Hi-Bond** mark on adhesive tapes was in 1986; between 1978-86 the plaintiffs sold other brands of those tapes (including those obtained from the defendants); the pictorial mark had by then changed to a rectangular shape with the words **Hi-Bond** inside similar to the plaintiffs' Yellow Page advertisement for 1989 (see AB808) as shown in figure B of the annexure.

j. in 1986 the plaintiffs sold masking tapes obtained from Canada and OPP tapes produced in Taiwan, both with the **Hi-Bond** mark; the mark was also used on PTFE tapes but, there was no documentary evidence to support such supplies or sales;

k. when the plaintiffs' file copy of PB3 was produced in court (para 9 *supra*), it was fairly obvious that the month had been altered from December to February 1979 by deleting the numeral '*1*' in front of the '*2*' for the middle number '*12*' representing December; this was to give the impression that the plaintiffs applied for registration of the **Hi-Bond** mark in *February* instead of *December* 1979; LYH disclaimed all knowledge of the tampering (N/E 46);

l. the current **Hi-Bond** mark used by the plaintiffs is that shown in figure C of the annexure (which the parties referred to as the special **Hi-Bond** mark) but it has never been used on PTFE tapes;

m. it would take 1-2 years to establish a famous brand and 3-4 years to establish a lesser known brand;

n. from 1988 to 1997 (until he left the defendants), the plaintiffs bought masking but not OPP, tapes from the defendants;

o. the plaintiffs' agreement in 1987 to allow the defendants to use the **Hi-Bond** mark was in exchange for the defendants' consent to allow the plaintiffs to use the **Star** mark;

p. pressed who else in the defendants knew of the oral agreement in 1987, LYH could only venture a guess that Mew and Allan Tan (the marketing manager) should be aware;

q. as to why the plaintiffs consented to judgment for infringement of the **Star** trademark, LYH explained it was because he felt that he should stop using the defendants' brands as the plaintiffs had decided to stop the defendants' usage of the **Hi -Bond** mark;

r. he acknowledged that the plaintiffs did not (in their Reply and Defence to the Counterclaim) plead that they had the defendants' permission to use **Star** and three (3) other trademarks on which the defendants counter-sued;

s. admitted that the plaintiffs had requested an Indonesian contract manufacturer (PT Nachindo Tape Industry) to produce **Hunter** and **Clipper** tapes although the plaintiffs do not own these trademarks;

t. the plaintiffs were also sued by and paid $100,000 to, CIC as compensation for infringing the **Apollo** trademark and fined (in 1990) for counterfeiting **Apollo** masking tapes. LYH claimed (N/E 87) that the plaintiffs bought the counterfeit tapes in the open market *from a young lady* (a Malaysian) *who was inexperienced* and asserted the plaintiffs did not contract-manufacture **Apollo** tapes (N/E 264) until, he was confronted with the plaintiffs' purchase order to PT Nachindo Tape Industry dated 22 April 1999 (see SAB 916) for 4 types of **Apollo** insulating tapes; LYH then changed his evidence to say he meant the plaintiffs did not contract-manufacture **Apollo** masking tapes.

27. Other important facts which emerged from LYH's testimony were:-

a. Dua Beng allegedly left the plaintiffs under a cloud -- he had taken away lucrative agencies for his/his relatives' companies;

b. LYH was a consultant of the plaintiffs between 1979-1998, for which he was paid a transport allowance;

c. he denied drafting a letter for the plaintiffs dated 25 July 1997 (**P36**) for Dua Beng's signature addressed to CIC requesting the latter to stop manufacturing **Hi-Bond** brand products without the plaintiffs' consent; he did not know why it was not copied to the defendants. He explained it was not addressed to the defendants because he had a bad relationship with Connie Lim; however, he did telephone the defendants' Allan Tan in August 1997 to request that the defendants cease using the **Hi-Bond** mark. Although there was no response to the plaintiffs' letter, he did not follow-up with either CIC or the defendants and took no action against either company because the plaintiffs were then in financial difficulties (N/E 68) and their situation only improved in the mid-1990s;

d. alleged the defendants copied the plaintiffs' product brochure (**D1**) as well as the accordion packaging for masking tapes; the latter allegation was retracted under further cross-examination;

e. when he was with the defendants, he had informed the management via Mew o f his involvement with the plaintiffs; he believed he had also declared his interest to the company secretary.

28. When his attention was drawn to the fact that Dua Beng had informed the Registry on 27 April

1989 that the plaintiffs had first used the special **Hi-Bond** mark only from January 1988, LYH explained that the reason was because the plaintiffs used a different design of the **Hi-Bond** mark previously. He offered the same explanation when questioned on the letter (see his exhibit LYH-10) of the plaintiffs' solicitors (Tang & Tan) to the Registry dated 30 November 1998 in regard to registration of the special **Hi-Bond** mark (TM07635/97) in class 16 for adhesive tapes, in which the solicitors stated that the plaintiffs' products as well as those of their competitors (CIC and Loytape) *had been on the market for slightly less than ten (10) years and they have [sic] all been using a similar mark without causing confusion to the public*. The plaintiffs had produced two (2) other letters written by Dua Beng to the Registry in the letter dated 14 October 1997 (**P34**), Dua Beng had informed the Registry that the plaintiffs had been promoting products under the **Hi-Bond** mark since 1989 but, the year *1989* had been crossed out and substituted by a handwritten *1979*. Similarly, in Dua Beng's letter dated 5 November 1997 (**P35**), where he had informed the Registry that the plaintiffs' product brochure had been printed in 1992, the year *1992* had been crossed out and substituted by the words *about 1987*. Questioned, LYH denied he had made the amendments nor was he aware who had done so.

29. Although he claimed to have resigned from the defendants and was not asked to leave, LYH could not explain why the defendants had inserted notices (1AB1008) in the English and Chinese newspapers of 14 and 16 July 1997 respectively, to the effect that he was no longer authorised to transact business on the defendants' behalf with immediate effect. The court's attention was also drawn to his letter dated 30 July 1997 (see 1AB1007) addressed to the executive chairman of Samanda Holdings Bhd (Samanda) wherein LYH requested payment of S$95,607.15 as bonus and salary in lieu of leave. His request was rejected in the defendants' reply dated 27 August 1997 (see 1AB1005) in the following terms:-

> ....the Board of Directors of the Company have now decided not to accede to your request for ex-gratia payment. We do not propose to go into the reasons as to why we have decided not to make any payment to you, but we believe you are fully aware what these reasons are.

LYH claimed (N/E 87-88) the defendants had not yet paid him despite his having left the company for more than 3 years; he said he would commence proceedings for his claim when he had the time and had settled everything.

30. Under re-examination, LYH claimed that the reason the plaintiffs did not have evidence of the plaintiffs' use of the **Hi-Bond** mark on glues and sealants was because the same was with the defendants. This was to be contrasted with Connie Lim's testimony (N/E 306) where she said that the reason the defendants could not produce evidence of the defendants' usage of the **Hi-Bond** mark before 1987 and before the plaintiffs' usage was because LYH had taken away/destroyed such records! The defendants' accountant (Tan Poh Suan) echoed Connie Lim's testimony that she was unable to produce the bills as most of them had been thrown away (N/E 562).

31. Besides LYH (whose evidence was the most crucial together with that of Dua Beng), the plaintiffs called four (4) other witnesses to support their case that they (not the defendants) were the first to use the **Hi-Bond** mark on adhesive and other tapes. I turn now to the testimony of these other witnesses.

32. The plaintiffs' second witness was Mew, who sits on the board of a number of Malaysian (public and private) companies, including Mopi Malaysia Sdn Bhd (Mopi Malaysia). Apparently, he and LYH had been colleagues since 1974 and he was the latter's superior between 1974-1991. Mew's testimony was hardly significant, touching on the peripheral issue of whether he and LYH had declared their

interests in the plaintiffs when they were both working for the defendants (which he asserted they did). Mew was the executive director/director of the defendants in 1979 and LYH reported to him. Mew recalled he had advised LYH to declare his (LYH's) interest in the plaintiffs to the Central Securities group of companies and later to Samanda; he believed LYH did so; he had also informed the group's chairman Tan Sri Ngan Chin Weng (the chairman) at the time. This was confirmed by the chairman in a letter dated 10 February 2001 (see SAB926) which Mew produced, it stated:-

> I wish to confirm that Mr Lim Yew Hin and Mr Mew Jin Seng had declared to me their interests in Mopi Private Limited some times back in 1980. At the same time, I was also aware that they are both members of the Board of Directors of Mopi Private Limted.
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> I was the CEO of the Central Securities Group (later known as Ganda Holdings Group) during that time. The Central Securities Group controlled the management of its member companies, namely, Loytape Berhad (later known as Samanda Holdings Berhad), Central Industrial Berhad, and Central Merchantile Corporation (S) Limited, and others.

However, the chairman did not testify on his letter dated 10 February 2001 or at all; as such his letter has very little probative value particularly as Connie Lim asserted she had been informed otherwise by the chairman. Questioned why the plaintiffs did not call the chairman to testify, Mew said it was because the chairman was old (67 years) and did not want to get involved in the matter even though both he and LYH had requested the chairman to attend court (N/E 98).

33. Mew described LYH as a trustworthy senior executive of the group and praised his performance, crediting LYH with building up the defendants from nowhere into one of the largest packaging companies in Singapore. As a result, the defendants' profits were $2m at one time, which was very substantial in those days. I should point out that Mew would not have had first-hand knowledge of the defendants' trade as he himself admitted he was not involved in its day-to-day operations or its sales, being the group's industrial divisions manager although he sometimes participated in board meetings of the defendants. Further, he was based in Kuala Lumpur and visited Singapore once a month. Indeed, it was in Mew's written testimony (para 29) that he had a vague recollection of the contract-manufacturing arrangement between the defendants (via CIC) and the plaintiffs and, between the plaintiffs and Loytape in 1988, for **Hi-Bond** masking and OPP tapes respectively. He was also not aware that the plaintiffs started manufacturing tapes only in 1986 nor indeed, what brands were used on the plaintiffs' products. His knowledge was largely based on what LYH told him. Neither could he identify the **Hi-Bond** mark which LYH showed him (N/E 108) of the three (3) in the list (**K**) produced by the defendants nor how the mark looked on the masking tapes produced by CIC. In any event, Mew would have had no personal knowledge of events in the plaintiffs after he left the group in 1991 and more so, after he resigned his directorship of the defendants in 1993.

34. Cross-examined, Mew clarified that by declaring his/LYH's interests in the plaintiffs to the defendants, he meant disclosing to the parent company Samanda. This was obvious from the form (PB 98-99) he produced, bearing the declaration he made on 31 March 1989. Indeed, counsel for the defendants suggested that Mew's declaration was misleading as he had described the plaintiffs as an investment holding company (in which he had 10% interest) when the company was carrying on the same business as the defendants. While he acknowledged that his secretary had made a mistake in typing the declaration, Mew contended that everyone knew what the plaintiffs did, as the company was no stranger to the group.

35. The plaintiffs called Dua Beng (PW3) to testify. Dua Beng said he was more familiar with sealants

than with adhesive tapes which sourcing, supply, credit lines, contacts etc were handled by LYH. Although he was the plaintiffs' managing-director for 20 years (1978-98), Dua Beng testified that important decisions were made by LYH.

36. Dua Beng said he was in charge of the plaintiffs' trade mark applications up to 1995-96 as evidenced by the various letters he wrote to the Registry (see exhibits **P30-35**). Questioned (N/E 134), Dua Beng said he did not make the handwritten amendments (para 28 *supra*) to the dates in his letters dated 14 October (**P34**) and 5 November 1997 (**P35**). When shown the plaintiffs' application for the **Hi-Bond** trademark purportedly dated 5 February 1979 or 5 December 1979 (PB3), Dua Beng said he did not file the application (which was also incorrect) as, the plaintiffs did not then have that particular design for the **Hi-Bond** mark. Further, it was not possible for the plaintiffs to have made the exact same application on 28 October 1987, as appeared in document PB7. He opined that the date in PB3 appeared to be in the handwriting of LYH. As for the letter to CIC dated 25 July 1997 (**P36**), Dua Beng testified that it was drafted by LYH, contrary to the latter's denials. I note (and which Dua Beng confirmed) that T79/79096B was the plaintiffs' registration of the **Mopi Hi-Bond** trademark under class 1 in respect of adhesives for mending broken articles and adhesive substances for industrial purposes. Similarly the plaintiffs' application in TM5045/87 (see AB1090) dated 14 October 1987 for **Hi-Bond** mark was for class 1. When his attention was drawn to the plaintiffs' letter dated 27 April 1989 (exhibit **P32**) which he had signed, and which stated:

> The date of 1st usage of the mark in respect of the goods covered by the application was January 1988

Dua Beng could not explain why the letter was not written on the plaintiffs' letterhead nor could he remember who drafted it nor where he had obtained the information stated therein.

37. Referred to the plaintiffs' Yellow Pages advertisements for 1980 (AB790), Dua Beng testified that the 1980 advertisement showed the plaintiffs' super-glue bottle with a loop cover and the words **Mopi Hi-Bond** against a diamond-shaped background (para 9 *supra*). This was different from the sticker on the bottle of super-glue (**P11**) the plaintiffs produced in court, which contained only the words **Hi-Bond**; he said the sticker on **P11** was not what he printed for the super-glue in 1980. Dua Beng testified that **P11** was first introduced into the market at end 1978 or early 1979 using the mark **Mopi Hi-Bond;** he could not recall when the word **Mopi** was subsequently removed from the mark. The super-glue originated from a Japanese company (**Alteco**) and when the plaintiffs' agency was terminated in 1993-94, they gradually stopped selling the product packaged as **P11**. Dua Beng testified that although the Yellow Page advertisements for 1980-81 showed **Hi-Bond**, the plaintiffs actually used **Mopi Hi-Bond** as the mark. As for sealants, the plaintiffs first started selling them in 1984-85 under names other than **Mopi Hi-Bond** or **Hi-Bond,** which brands came later (after 1988).

38. Besides **P11**, Dua Beng went through each of the plaintiffs' products exhibited in court, explaining when some of them were first introduced into the market and, their uses. He said the various types of glues were generally introduced in the 1980s. He recalled that the plaintiffs' masking tape (**P2**) was first introduced in 1980-81 but, it was marketed under the **Apollo** brand; the plaintiffs first used the **Hi-Bond** mark on masking tapes in 1987-88. As for OPP tapes (**P1**), the plaintiffs first introduced the **Hi-Bond** mark on the product in 1987-88 although he was uncertain as to the format. Other adhesive tapes sold by the plaintiffs under the **Hi-Bond** mark were introduced much later. Counsel for the defendants also took Dua Beng through the various pictorial presentations of the **Hi-Bond** mark in exhibit **D3** and their usages over the years (N/E158-164). Dua Beng confirmed there was no plain **Hi-Bond** mark for glues before 1988.

39. Although **Hi-Bond** as a word mark was the plaintiffs' idea first introduced before October 1987,

Dua Beng was not sure whether the mark belonged to the plaintiffs or the defendants. However, he opined that it was the plaintiffs who had developed **Hi-Bond** sealants and glues (N/E152 and 158) whilst it was the defendants who first used the **Hi-Bond** mark on adhesive (including OPP) tapes (NE 172, 176). Further, the defendants' product brochure (exhibit **D1**) came out first, not the plaintiffs' (exhibit **P26**), as well as some of the packaging for the defendants' products, including the carton box (exhibit **P18**) for their masking tapes as well as double-sided tapes (exhibit **P20**).

40. Dua Beng's attention was drawn to the plaintiffs' letter dated 18 June 1997 (PB94) which he had signed as its managing-director. He testified that it was LYH who asked him to sign the letter even though the contents were wrong (N/E 141); the letter states (with paragraphing added for easier reference):

> To Whom it may concern
>
> > 1. In 1972, Mopi Engineering Company was founded by the late Mr Dua (Mr Dua Beng's father), the late Mr Lim (Mr YH Lim's father), Mr Dua Beng, Mr Dua Beng and friends, Mr Tan and Mr Han.
> >
> > 2. Our main company activities include acting as industrial and stationery supplier, and selling of adhesive, adhesive tapes, silicone tubings and rubber sheetsetc
> >
> > 3. Six years later, business was expanding rapidly and the company was in need of more funds and decided to convert the company to private limited (incorporated in 1978) with the new shareholders (as per copy).
> >
> > 4. The company grew from strength to strength in the adhesive business and in promoting the adhesive tapes under the own trade name **Hi-Bond**. It was the famous trade mark at that time.
> >
> > 5. Sometime in early 1980, Mr Lim Yew Hin called me to allow Malaysia Samanda Holding Associate, Central Industrial Corporation Bhd to manufacture **Hi-Bond** masking tape which is still being done today.

Dua Beng pointed out the year *1972* in para 1 above was incorrect, it should be *1974-75*; his father did not know the father of LYH. He said para 4 was also wrong as the Registry did not approve the **Hi-Bond** mark even though it was famous. Finally, para 5 never happened LYH did not call him to allow CIC to manufacture **Hi-Bond** masking tapes. When he pointed out the errors in the letter to LYH, the latter told Dua Beng they were not important and asked him to sign which Dua Beng did; the letter was then returned to LYH. Dua Beng did not know to whom the letter was sent and, he told no one about the errors. Although it was not his habit to sign documents which are clearly wrong, Dua Beng explained he signed PB94 because LYH was his superior notwithstanding he was the plaintiffs' managing-director. LYH *was the boss* while he was in charge of the daily operations.

41. Dua Beng said he had similarly signed the letter dated 25 July 1997 to CIC (**P36)** at the request of LYH. As in the case of PB94, he handed **P36** to LYH after signing and did not know what happened thereafter. While Dua Beng agreed that **P36** was correct in that the plaintiffs had used the **Hi-Bond**

mark since 1979, the mark was however not registered. He could not understand the motive behind para 2 of **P36** he was unaware of what tapes CIC were manufacturing up to July 1997 and he did not know the relationship between CIC and the defendants, although he was aware that a lot of the adhesive tapes were delivered directly to the plaintiffs by CIC, arranged by the defendants.

42. Dua Beng had a different version from LYH, of the circumstances leading to the meeting (called by the defendants) in 1987-88 with CIC and, the production of **Hi-Bond** adhesive tapes. He explained that the plaintiffs sold **Apollo** masking tapes supplied by the defendants at the material time. The plaintiffs' sales of **Apollo** tapes had been reduced by market competition but, the defendants would not reduce their selling prices to the plaintiffs because **Apollo** was a famous brand. He testified that the defendants were then the plaintiffs' only source of supply of adhesive tapes (N/E 178), refuting LYH's claim that the plaintiffs bought OPP tapes from Taiwan and masking tapes from Canada. At that meeting, both parties agreed that the **Hi-Bond** mark previously used on glues and sealants, would henceforth be used on adhesive tapes which the defendant would supply to the plaintiffs. Dua Beng could not recall who first made the suggestion nor why the brand **Hi-Bond** was suggested. He could not recall meeting representatives of CIC or Loytape either. However, he confirmed neither he (nor anyone else) said the **Hi-Bond** mark belonged to the plaintiffs let alone that the defendants could only use the mark on adhesive tapes with the plaintiffs' permission which could be withdrawn at any time. Neither (as alleged by LYH) did the defendants request his permission every time they wanted to use the **Hi-Bond** mark on other tapes, over the years. Above all, there was never any arrangement whereby, in return for the defendants' usage of the **Hi-Bond** mark, the plaintiffs were allowed to use the marks **Nikko, Kawasaki, Senisui** and **Star** on their tapes.

43. The plaintiffs had initially complained that Dua Beng was evading service of their subpoena and had set conditions for his appearance in court; this was refuted by Dua Beng. He also denied that the brother (Lim Yew Pin) of LYH had purchased from him 30,000 shares in the plaintiffs as a pre-condition or, that he wanted someone to buy over all his shares (100,000) in the plaintiffs, before he would testify for the company. While it was true that he had asked both LYH and Lim Yew Pin to buy over his shares, that was in December 2000-January 2001 before LYH contacted him to be a witness. Neither did he demand repayment of his previous loan ($40,125) to MHP as another condition for testifying for the plaintiffs.

44. Contrary to what LYH had alleged, Dua Beng explained that he left the plaintiffs for health reasons (spinal and heart problems), not because he had taken away lucrative agencies. After leaving the plaintiffs, he was a part-time manager in a company for 6-9 months. Dua Beng revealed that even before LYH joined the plaintiffs in 1997, the latter had been very involved with the company (from about 1985 onwards). LYH used to visit the plaintiffs' office everyday after the company underwent computerisation in 1990. In fact, LYH co-signed cheques of the company with him from 1983-84, taking over from the wife (Poon Choon Yoke). LYH also took charge of staff's salaries, accounts, daily sales records, computerisation and anything involving adhesive tapes, including attending meetings.

45. Recalled to the witness stand after Dua Beng had testified, LYH was questioned by the court (N/E 266) why the plaintiffs printed the words **USA** on the inner core of its masking, OPP and other tapes, with the **Hi-Bond** mark. He prevaricated and asserted it would be wrong to think it meant the product was made in the United States (it was treated as part of the trademark), notwithstanding that his justification for printing **USA** on the masking tapes was because the jumbo roll came from the United States (on which there was no evidence).

46. Notwithstanding that Dua Beng had identified his handwriting on the document marked PB3 and had said that it was likely LYH amended the dates in exhibits **P34, P35** and PB17 (N/E 188-189), LYH continued to maintain his innocence and denied he had doctored the documents, even for the dates

in the letter of Tang & Tan dated 30 November 1998 (PB17), when Dua Beng had already left the plaintiffs; he also denied that he had drafted **P36** and PB94.

47. Ling Yew Teck also known as Anjoe Ling (Ling), was another of the plaintiffs' witnesses. Being the younger brother of LYH, it came as no surprise that Ling's testimony echoed that of the former and that he opined the **Hi-Bond** mark belongs to the plaintiffs. This is to be expected, given that he is the sole-proprietor of Superior Link Marketing (Superior), which imports and distributes adhesive tapes (including **Hi-Bond** obtained from the plaintiffs) and packaging materials. Ling PW4) left the defendants' employment in July 1997 where he was first the store-keeper/delivery man (1979-81) and then put in charge of accounts. He was a shareholder of the plaintiffs between 1987 and 1996.

48. In his written testimony (para 7), Ling had deposed that at all times, he knew that the **Hi-Bond** mark belongs to the plaintiffs. Questioned by counsel for the defendants, Ling justified his sweeping statement by the fact that as the defendants' delivery man, he recalled that in 1978 the plaintiffs started selling and he delivered, **Hi-Bond** super-glue, to the defendants' suppliers. Yet Ling was unable to assist the court by identifying from the list (exhibited in **D3)** which design of the **Hi-Bond** mark was used on the plaintiffs' super-glue, or on PTFE tapes. However, he did say that the mark first used contained the word **Mopi** which was subsequently removed. Neither could Ling recall which design of the **Hi-Bond** mark was used on sealants, save that the mark was first used on sealants around 1980. His answer is not surprising given that he does not sell sealants. On the special **Hi-Bond** mark, Ling learnt from market sources that the plaintiffs used it on OPP tapes (imported from Taiwan) from around 1986 but, acknowledged that he did not buy such tapes on the defendants' behalf from the plaintiffs then. Similarly, he heard from market sources that the plaintiffs obtained **Hi-Bond** masking tapes from Canada in 1987. Pressed further by counsel for the defendants on these sources, Ling claimed (N/E 223) he had been told by Dua Beng. This testimony together with Ling's version of the meeting with the defendants in 1987-88, contradicted what Dua Beng said, although it was consistent with his brother's version.

49. I do not intend to dwell further on Ling's testimony as it would serve no useful purpose. He was not an independent witness but reiterated what LYH had said and, the same inconsistencies which arose in the course of his brother's cross-examination were repeated. To a number of questions he gave the stock answer: *I can't recall, so long ago*. Despite his denials to the contrary, there is no doubt that Ling would have a personal interest in the outcome of this case. If the plaintiffs succeed in this action, the defendants would be prevented from using the **Hi-Bond** mark, all customers of the defendants would then have to obtain their supplies of **Hi-Bond** from the plaintiffs and Superior would be able to make more sales of **Hi-Bond** adhesive tapes. It was Ling's testimony that he does not obtain his supplies of **Hi-Bond** adhesive tapes from the defendants at all.

50. The plaintiffs' last witness was their sales representative Ang Ah Kian (Ang) who previously worked for the defendants (1993-98) before joining the plaintiffs in March 1999. Like Ling, Ang made a positive assertion in his written testimony that *all the sales personnel in the defendant company [including himself] knew that the **Hi-Bond** trade mark belongs to the plaintiff*. Questioned by counsel for the defendants, Ang acknowledged that he could not tell which mark belongs to who as both parties sold **Hi-Bond** masking tapes. In the next breath however, he said that he knew the mark belonged to the plaintiffs because, the defendants bought **Hi-Bond** silicone from the plaintiffs when he was the defendants' salesman. He said the mark was *well known* because the plaintiffs had very good sales of **Hi-Bond** masking tapes and sealants, possibly because their prices were cheaper than the defendants'. However, he was not aware who sold more masking tapes. He further stated (N/E 246) there were *obvious* colour (and carton box packaging) differences between the tapes supplied by the plaintiffs (**P2**) and those supplied by the defendants (**P22**). The differences however, were not apparent either to me or to counsel for the defendants.

51. Ang (PW5) had in his affidavit (para 23) deposed that there was confusion by (industrial) end-users over the source of supply of **Hi-Bond** masking tapes because of the differences he had mentioned. He alleged there was one instance when his customer (SB Plastics) asked him to replace the defendants' masking tapes with the plaintiffs'. In cross-examination however, it emerged that the customer's request had nothing to do with either quality of, or confusion over, the tapes -- SB Plastics wanted a different size from what he had supplied (18mm), so he gave them the plaintiffs' tapes in replacement because the defendants did not/do not have the requisite 48mm size.

52. As in the case of Ling, I cannot accept Ang's testimony as impartial. Not only is he working for the plaintiffs but, he was dismissed from his previous employment with the defendants.

(ii) the defendants' case

53. In order to throw some light on some of the unanswered questions relating to the plaintiffs' trade mark applications, the defendants called a legal officer from the Intellectual Office of Singapore (IPOS) which incorporates the Registry, as a witness. Anne Loo (Loo) confirmed that the Registry was at Tanglin Road from 1979 until it moved to Colombo Court in March 1987, and then to Plaza by the Park at Bras Basah Road in August 1990. She further confirmed that when the Registry moved from Tanglin Road to Colombo Court, the Tanglin Road address on the printed forms was cancelled and the Colombo Court address was stamped thereon. Consequently, she found PB3 strange -- it bore both the Tanglin Road and Colombo Court addresses as at 1979, when the Registry did not move to the latter location until 8 years later. Similarly, Form TM6 appearing in its format at AB1010 would not have existed as at 5 December 1979. Loo (DW1) pointed out that in any case, PB3 being a copy of Form TM6, would not have been in the plaintiffs' possession as, the Registry retains the original application but does not return a copy, to an applicant. Further, the Registry's original Form TM6 would have been stamped with the date of submission and would have had the receipt number hand-written thereon for payments made. As proof, Loo produced a Form TM6 submitted by the plaintiffs on 8 May 1987 (see **D8**).

54. Loo produced the registry's copy (**D4**) of **P34,** it did not have the handwritten amendment of the year from *1989* to *1979*. Neither did the Registry's original (**D5**) of **P35** have the handwritten deletion of the year *1992* and its replacement by the words *about 1987*. Loo said Tang & Tan's letter in PB17 was not in the Registry's file, for TM7635/97. However there were similar letters (2) with the Registry bearing the dates 7 August and 2 December, 1998 (see **D6**) relating to TM7635/97 and TM7636/97 respectively, save that the date *1980's* was not crossed out and substituted by *1990's*, as appears in PB17. In relation to Form TM6 at PB7 dated 28 October 1987, Loo said she could not locate such an application from the plaintiffs. What the Registry had was Form TM6 for TM5045/87 dated 14 October 1987, as shown in AB1090.

55. I found Loo's testimony most useful in helping to resolve the issue of when the plaintiffs filed their numerous trademark applications and for what marks. Needless to say, I found her an impartial witness notwithstanding that she was called to testify by the defendants.

56. I shall refer briefly to the testimony of the other witnesses (5) called by the defendants before I consider the testimony of their key witness, Connie Lim. I start with the testimony of Lim Eam Hee (Lim) who is presently a consultant with Loytape. Lim (DW3) was Loytape's research and development (R&D) manager between 1985-1991 save for 1990 when he was also the acting production manager. Between 1991-98, Lim was the technical manager. As the technical and R&D manager, Lim was in charge of quality control of adhesive tapes. He deposed he was also required to do work for CIC although he was Loytape's employee as, between 1985-1998, both companies then had the same

general manager (Koay) and same management until 1998. Lim stated that both companies contract-manufactured adhesive types but of different types. Loytape also produces its own OPP tapes.

57. Lim affirmed that it was Loytape's practice to apply the customer's trademark(s) when it contract-manufactured adhesive tapes, based on artwork and design given by the customer. The company's customers included those from Australia, Hong Kong and Korea. Lim recalled that Loytape first contract-manufactured **Hi-Bond** tapes for the defendants in 1987 with artwork and design provided by the defendants. Loytape also contract-manufactured for the defendants OPP tapes (1987-1991/92) and cellulose tapes (1995-97). For cellulose tapes, the design used was the special **Hi-Bond** mark. Loytape also contract-manufactured (and still does) **Kawasaki, Senisui** and **Star** adhesive tapes for the defendants. He said Loytape has never contract-manufactured **Hi-Bond** OPP or cellulose tapes for anyone other than the defendants, who were one of their biggest customers. When production was completed, the defendants' tapes were delivered to them or, in the case of large orders (for logistical or other reasons), the deliveries would be made direct to the defendants' customers, including the plaintiffs. This fact was known to LYH as he was then the defendants' managing-director and large quantities of **Hi-Bond** tapes were delivered direct to the plaintiffs, but paid for by the defendants.

58. Because of the then common management of both companies under Koay, Lim affirmed that CIC was equally aware that Loytape contract-manufactured for the defendants; CIC themselves contract-manufactured **Hi-Bond** masking tapes for the defendants at the same time. Lim however, said he was not aware of any arrangement between CIC and the plaintiffs to contract-manufacture masking tapes with the **Hi-Bond** mark. If indeed there was such an arrangement, Koay would have told Lim since he was then the acting production manager. The defendants like other customers, had arrangements with Loytape but no agreements, for contract-manufacturing. Lim said he regarded the defendants as the owners of the **Hi-Bond** mark; he was not aware of anyone else claiming the mark during the time Loytape contract-manufactured OPP tapes for the defendants.

59. A material witness for the defendants was Allan Tan, their senior (sales and marketing) manager, who joined the company in 1973 as a driver-cum-sales representative, before rising through the ranks to his present position. Besides Loytape and CIC, Allan Tan (DW4) affirmed that the defendants used overseas contract-manufacturers for production of adhesive tapes.

60. Allan Tan affirmed that the defendants first used the **Hi-Bond** mark in 1987 on their OPP tapes, followed by masking tapes in 1988; thereafter the mark's usage was extended to other tapes and put on cellulose tapes in 1996. Currently, the defendants use the **Hi-Bond** mark on double sided coated (DSCT) and masking tapes only. OPP and other tapes are sold under the defendants' other trademarks such as **Nikko** and **Jupiter**. Allan Tan described the special **Hi-Bond** mark as unique; I shall now set out his version of the birth of the mark.

61. Allan Tan recalled he had attended the crucial meeting between the defendants and the plaintiffs, which (according to him) was in early 1987; present were the younger brother (Ling) of and, LYH. At that time, the defendants were selling **Kawasaki** and **Apollo** OPP tapes at unit prices which were less competitive than other brands. Allan Tan/his sales staff thought that if they could shorten the length, the cost of manufacturing and selling, OPP tapes could be lower. As the defendants did not wish to cut into their existing customer base for **Kawasaki** and **Apollo**, they decided to market the new shorter length tapes under a new brand -- **Hi-Bond** was suggested by either LYH or Ling; no one said the plaintiffs owned the mark or that the defendants were to use it under contract/licence. Neither was there any discussion/agreement that the defendants were allowed to use the **Hi-Bond** mark in exchange for the plaintiffs' usage of **Kawasaki, Senisui, Nikko** and **Apollo** brands. As Loytape were already making OPP tapes for the defendants, it was only natural to ask Loytape to produce the new

tapes. Hence, **Hi-Bond** OPP tapes were first contract-manufactured in 1987. The plaintiffs used the mark on sealants much later. Although the plaintiffs used the mark **Mopi Hi-Bond** in a diamond-shaped device on glues in the 1980s, the design was very different from the special **Hi-Bond** mark which the defendants used on adhesive tapes in 1987.

62. Allan Tan recalled another meeting between the defendants and the plaintiffs in early 1988. This time the plaintiffs complained that the defendants' masking tapes under the **Kawasaki** and **Apollo** brands were not competitive in price. The plaintiffs were represented at the meeting by Dua Beng and Jimmy Toh while Allan Tan, LYH and Ling represented the defendants. For the same reasons which saw the birth of **Hi-Bond** OPP tapes, it was decided that the defendants would launch **Hi-Bond** masking tapes at a shorter length and at a cheaper price than competitors' brands. Again, there was no discussion about ownership of the mark or whether the defendants would use it under licence or contract from the plaintiffs. In 1988, the defendants used the same design of the mark on masking tapes as on the OPP tapes, namely, the special **Hi-Bond** mark. As in the case of the OPP tapes, no one else, including the plaintiffs, used the special **Hi-Bond** mark on masking tapes. However, Allan Tan could not say who first thought of the design for the mark, but he was emphatic that the mark belonged to the defendants

63. Allan Tan recalled that **Hi-Bond** masking tapes received a good response; its success prompted the defendants to contract-manufacture and sell, other tapes (7) with the mark. Indeed, the plaintiffs were one of the defendants' biggest customers for masking (but not OPP) tapes between 1988-97. The plaintiffs started to compete with the defendants and sold identical **Hi-Bond** masking tapes, after LYH left the defendants in July 1997, followed by Ling. It was not true as LYH claimed, that the plaintiffs first used the **Hi-Bond** mark on OPP and masking tapes in 1986; the tapes did not then exist. For the same reason, the defendants did not buy **Hi-Bond** sealants from the plaintiffs between 1978-87. The defendants first purchased sealants (under the name **Mopi Hi-Bond**) from the plaintiffs in 1989-90. Earlier, the defendants bought from the plaintiffs silicone sealant under brands like **GE** and **Devcon**. As for glues, the defendants purchased small quantities from the plaintiffs between 1980-84; the defendants sold more **Alteco** super glue. In 1988, the super glue which the defendants bought from the plaintiffs had an entirely different shape and bottle from the exhibit they produced (**P11**) in court and it carried the mark **Mopi Hi-Bond**. When shown by counsel for the plaintiffs, a cash sales invoice of the defendants dated 11 November 1988 (AB17) which included **Hi-Bond** silicone sealant, Allan Tan agreed the plaintiffs may have introduced the product earlier. However, in re-examination, he said that the plaintiffs then did not use the special **Hi-Bond** mark for their sealants.

64. Allan Tan alleged that between 1994-97, LYH forced the defendants to buy **Hi-Bond** double-sided filament tape (DSFT) and double-sided coated tapes (DSCT) from the plaintiffs so as to benefit the plaintiffs. The tapes were made for the plaintiffs (without the defendants' permission) by other sources and were of poor quality. As LYH was then the managing-director, the staff (including Allan Tan) had no choice but to follow his instructions. The practice stopped after LYH left the defendants. He denied LYH had called him in August 1997 to say the defendants could no longer use the **Hi-Bond** mark. Allan Tan further denied the plaintiffs' pleaded case that there was an oral agreement in 1990 by the plaintiffs to allow the defendants to use the mark. He recalled that the defendants' product brochure (**D1**) was prepared for the 1991 AsiaPac exhibition in which the defendants participated.

65. To substantiate the defendants' contention that LYH was summarily dismissed by the defendants and did not resign, Allan Tan recounted what happened on 12 July 1997. He said he picked up three (3) directors of Samanda from the airport that morning, took them to the defendants' premises and, after they had had a discussion with the defendants' chief financial officer (who was also from Kuala Lumpur), LYH went to his room to pack his belongings and left. Allan Tan as instructed, sent LYH

home and took back the latter's company car.

66. On the use of the words **USA** on the masking tapes, Allan Tan testified that it was done in 1990-91 (with the agreement of LYH) to meet the requirements of customers who had more confidence in goods from the United States, even though the tapes were produced by CIC without any component from America. However, after LYH's departure from the company, the defendants stopped using the words **USA,** as CIC informed them it was forbidden by Malaysia's trade legislation.

67. In cross-examination, counsel for the plaintiffs took Allan Tan through the plaintiffs' range of products exhibited in court. According to Allan Tan, some of the items were not in the market (or not sold with the marks shown on the packaging) at the time when the defendants first purchased glues/sealants from the plaintiffs. He identified the **Hi-Bond** mark on the plaintiffs' (tube) silicone RTV sealant (**P15**) as that used on the defendants' OPP and masking tapes in 1988. Although the defendants' cash sales in 1981 (see AB1) stated **Hi-Bond** glue, Allan Tan said the actual product contained the mark **Mopi Hi-Bond**; the cash bills were prepared by the defendants' purchasing department based on information given by the plaintiffs. In any case, the customers would not buy from the defendants if the mark was **Mopi** as, they could purchase direct from the plaintiffs.

68. Allan Tan also denied that whenever the defendants wanted to use the **Hi-Bond** mark for contract-manufacturing, Ling would ask the plaintiffs for permission, starting with OPP tapes. Ling was then the assistant sales supervisor who reported to him and would have informed Allan Tan, if there indeed was such an arrangement. In this regard, the earliest invoice the defendants could locate for **Hi-Bond** OPP tapes was one dated 24 October 1988 (see AB11) issued to the plaintiffs. Allan Tan recalled that other invoices for 1987 were stacked in a corner on the third storey of the defendants' office near the emergency exit, close to his seat, and were thrown away. Hence, the fact that only invoices issued to the plaintiffs were produced in court did not mean that the defendants only sold OPP tapes to the plaintiffs between 1988-90; the defendants had invoices issued to other customers from May 1990 onwards. Allan Tan denied counsel's suggestion that the fact the early invoices of the defendants (for both masking and OPP tapes) were only to the plaintiffs showed that the **Hi-Bond** mark belonged to the plaintiffs and, the defendants were the plaintiffs' contract-manufacturers.

69. Allan Tan revealed that the defendants had stopped using the **Hi-Bond** mark on five (5) of the eight (8) types of tapes they used to sell, because of poor sales coupled with the fact that they had alternative brands. He estimated that **Hi-Bond** sales totalled 9-10% of the defendants' total sales. The plaintiffs also stopped buying adhesive tapes from the defendants after LYH left. It was only recently that Allan Tan was informed by Connie Lim that the plaintiffs sold adhesive tapes under the **Hi-Bond** mark. He was not aware prior thereto as, his salesmen did not give him feedback from the market.

70. To buttress their contention that the plaintiffs did not sell any OPP tapes with the **Hi-Bond** mark in 1988, the defendants (through Allan Tan) called Toh Gim Huat @ Jimmy Toh (Toh) to the witness stand. Toh (DW5) worked for the plaintiffs for 18 years (1980-1998), first as a delivery man and then as a salesman. By the time he left the company, he was a sales supervisor reporting to Dua Beng. He then started his own business (Gisen Enterprise Pte Ltd) in adhesive tapes and sealants/glues including **Hi-Bond** supplied by the defendants.

71. It was Toh's evidence that in 1986, the plaintiffs did not sell any OPP or masking tapes with the **Hi-Bond** mark manufactured in Taiwan and Canada respectively; neither did they sell the same in 1985 or 1987. Toh stated that the plaintiffs used the mark **Mopi Hi-Bond** on their super glue between 1980-88; he could not recall the plaintiffs having removed the word **Mopi** from that mark in 1979 due to customers' complaints. Like the defendants' previous witnesses, Toh was taken through the

plaintiffs' products exhibited in court for his views on when he saw the various items in the market; he testified that he had first seen the plaintiffs' masking tapes (**P2**) in 1988 followed by OPP tapes (**P1**) in 1990-91. Later (in 1997), the masking tapes were made in China. The other adhesive tapes sold by the plaintiffs came later, starting with PVC surface protective tapes (**P8**) in 1992-3. As for sealants, the plaintiffs sold **Toshiba** brand before launching **Hi-Bond** silicone (followed by acrylic) sealants in 1988.

72. Toh recognised LYH and said he used to see the latter in the plaintiffs' premises every month, 2-3 times between 1980-90 and 6-7 times in 1996-97, on those occasions when Toh was not out of the office. He supported Allan Tan's testimony that although the plaintiffs' super glue as reflected in the defendants' 1981 invoice (AB1) stated **Hi-Bond**, the product actually carried a sticker which stated **Mopi Hi-Bond**; he also corroborated Allan Tan's version of the 1987 meeting between the parties. Toh maintained his evidence notwithstanding being shown the plaintiffs' Yellow Pages advertisements to the contrary by counsel for the plaintiffs; he said it was not true that in 1981-82 the plaintiffs removed the word **Mopi** from its mark for super glue, as a result of complaints from customers. He pointed out that the super glue product was not actually manufactured by the plaintiffs he replaced the **Alteco** stickers on the bottles with **Mopi Hi-Bond** stickers, on the instructions of Dua Beng, who was afraid **Alteco** would terminate the plaintiffs' exclusive distributorship, which it did in 1993-94. Further, sales of **Mopi Hi-Bond** super glue only averaged $10,000 per annum up to 1997, as it was less popular than **Alteco** and other brands. Similarly, the plaintiffs sold **GE** silicone sealant in tube form with **Hi-Bond** packaging (see photograph marked **L**) in 1992-3. In the 1980s, the plaintiffs sold **Apollo** masking tapes. The plaintiffs started buying **Hi-Bond** OPP tapes from the defendants in 1987, prior thereto, they bought **Kawasaki** and **Apollo** brands. In 1989, the plaintiffs changed the design on their packaging to the special **Hi-Bond** mark but they stopped using that mark in 1995.

73. My preliminary assessment of Toh as a witness is, he was not beholden to the defendants as counsel for the plaintiffs sought to imply, nor would he benefit if the defendants succeeded in this action. He had explained that less than 10% of his sales comprised of **Hi-Bond** adhesives tapes and even if the plaintiffs were restrained from selling **Hi-Bond** adhesive tapes in the event the defendants succeed in this action, he would still have to compete with other brands (**Supreme, Majestic** and **Hunter**) in the market.

74. The defendants also asked two (2) of their customers to testify. The first was Ong Gim Lee (Ong), a director and shareholder of Great Prospect Trading Pte Ltd (GP) which started off as a sole-proprietorship in 1976 and dealt with the defendants from that year onwards; GP sells packaging materials including adhesive tapes obtained from the defendants and other suppliers. The other customer who testified was Tan Bu Ngi (Tan) whose sole-proprietorship To-Morrow Electric & Hardware Trading Company began its business relationship with the defendants in 1975. Unlike Ong (DW6), Tan (DW7) sells other goods like electrical light fittings and accessories besides packaging materials.

75. Ong and Tan testified there were **Hi-Bond** OPP tapes in 1987 and **Hi-Bond** masking tapes in 1988, both were sold by the defendants; in 1985 and 1986, there were no **Hi-Bond** OPP or masking tapes sold by the plaintiffs. GP does not deal in sealants but Ong recalled buying some glue from the plaintiffs in 1997. Ong has stopped buying OPP tapes from the defendants but has increased his purchase of their masking tapes. In Tan's case, he initially obtained supplies of packaging materials under the brands **Loytape** and **Apollo** from the defendants before buying their other brands, including **Hi-Bond** (in 1987). Cross-examined (N/E 548), Tan said he bought adhesive tapes from the plaintiffs in the 1990s when they approached him, mainly out of friendship as he knew LYH from the defendants but, he was unaware the products were not sourced from the defendants; he was merely told the product was the same as the defendants'.

76. I now turn my attention to Connie Lim's testimony; she was appointed a director of the defendants in 1993 and is their only resident director, after the demise of Yu Cheng Poh in 1989. She first joined the defendants in October 1988 as the company secretary, LYH was her superior; she was not involved in the day to day operations or the management. In June 1997, just before LYH's departure from the company, Connie Lim was made the defendants' executive director but, she continued to discharge the duties of a company secretary. She also handled Samanda's financial matters in Singapore until 1994, when the chairman sold his interests in the group; thereafter she took charge of only the chairman's (personal) financial matters.

77. Connie Lim contended that the defendants' annual turnover over the past five (5) years averaged about $20m of which packaging materials (including adhesive tapes) was $12m. In her written testimony, Connie Lim detailed the sources of the defendants' various products, both Malaysian and foreign. She affirmed that the defendants did not advertise the **Hi-Bond** mark very much over the years until after LYH's departure from the company. The defendants' total expenditure on advertisement and promotions averaged $5,000 per year until 1997. After LYH left, advertising expenditure increased to about $30,000 per annum. Advertisements were placed in the Yellow Pages as well as in the trade publication Evergreen. Based on sales, Connie Lim averred that the defendants had acquired substantial goodwill in **Hi-Bond** adhesive tapes, in particular masking tapes; over the years, the mark has become well-known as the defendants'. She accused the plaintiffs of damaging the defendants' goodwill by claiming ownership of the mark and selling adhesive tapes bearing the same mark. Although the plaintiffs used the mark **Mopi Hi-Bond** in a diamond-shaped device on their 20gms glue in or about 1980, Connie Lim asserted that the defendants were the first to use the special **Hi-Bond** mark in 1987. She alleged that the plaintiffs must have copied the defendants' mark which present get-up is almost identical to that of the defendants'.

78. I shall not go over old ground and dwell on disputed facts and events covered by the testimony of the defendants' other witnesses as, what Connie Lim knew of **Hi-Bond** products and the mark was what she learnt from people like Allan Tan. She alleged LYH had breached his fiduciary duties in being a shareholder and director of the plaintiffs at the material time without the defendant's knowledge. In this regard, Connie Lim refuted Mew's testimony and said she had telephoned the chairman in January 2001 who denied he had been notified of the interests of LYH and Mew in the plaintiffs. When she was referred to the chairman's letter dated 10 February 2001 (at SAB 926) stating otherwise, Connie Lim ventured a guess that the chairman himself may have lied as she only realised he too was a shareholder of Mopi Malaysia, from Mew's testimony. Counsel then showed her an extract (SAB923) from the minutes of a 1984 meeting of the defendants' directors, which showed that both LYH and Mew declared their interests as directors of the plaintiffs; Connie Lim countered that neither declared their interests as shareholders.

79. Although she had no personal knowledge of the dismissal of LYH, Connie Lim said she was instructed to arrange for the press advertisements relating to his departure and, to pass the resolution of the board of directors confirming acceptance of his forced resignation. Apparently, an internal audit was done during a due diligence inspection conducted on the defendants for the take-over of Samanda, in the course of which it was found that LYH had acted contrary to the defendants' interests. Connie Lim also alleged that LYH threw away a lot of the defendants' documents (N/E293 and 306) including invoices for years 1987-88 and even up to 1990; she also questioned whether the documents he did not throw away were left behind deliberately.

80. I turn next to the defendants' product brochure in **D1**, which advertised the range of factory products marketed by the company. In re-examination, Connie Lim said LYH was responsible for the printing and it could have been printed in 1991(or earlier) for the AsiaPac exhibition that year. She pointed to the fact that the defendants' particulars printed thereon showed its cable and telex

addresses both of which the defendants were still using in the 1980s whilst the address was stated as No. 86 Tagore Lane, Singapore 2678, to which the defendants moved to in 1984. One of the products shown in the brochure was **Apollo 88** denoting the year 1988.

81. I wish to digress at this stage to refer to the plaintiffs' almost identical brochure in **P26**. It was claimed by LYH that the plaintiffs' brochure came out earlier than the defendants' who copied it. I note from **P26** that the plaintiffs' address is stated as No. 223, Ubi Avenue 4 (Intrepid Warehouse Complex), Singapore 408813 which is the plaintiffs' current address. According to LYH, the plaintiffs only moved there in 1997 (para 26 *supra*). That being the case, coupled with the fact that the plaintiffs' address on **P26** shows a 6 digit postal code whereas the defendants' address on **D1** shows a 4 digit postal code, leads me to believe that the defendants' brochure must have preceded the plaintiffs'. I take judicial notice of the fact that the 6 digit postal code for Singapore was only introduced on 1 September 1995

82. Connie Lim revealed she was responsible for stopping the practice (1994-97) forced upon the defendants by LYH with his brother's (Ling's) collaboration, to buy **Hi-Bond** adhesive tapes from the plaintiffs, instead of direct from the defendants' contract-manufacturer. Further, while he gave the plaintiffs 90 days' credit terms and good pricing on the defendants' behalf, goods sold to the defendants by the plaintiffs were on a cash basis, without discount. Even in those instances where credit was extended by the plaintiffs, the defendants' credit period was 30 days, less than what the plaintiffs were given. She alleged that LYH used the defendants' telex facilities to promote the plaintiffs' business. Even if the defendants billed the plaintiffs for such charges, she pointed out that the contacts/contracts LYH established should have been passed onto to the defendants, not the plaintiffs. She also stopped his practice of putting the words **USA** on the inner core of the defendants' masking tapes (contract-manufactured by CIC), as she felt it was misleading.

83. Another allegation Connie Lim levelled against LYH was, that he failed to protect the defendants' rights by not registering the **Hi-Bond** mark on their behalf. To refute her allegation, the plaintiffs then produced documents to prove that LYH did file trademark applications but they were for **Nikko, Kawasaki, Apollo** and **Senisui** not **Hi-Bond,** because the latter mark belonged to the plaintiffs (N/E 375) not the defendants. Apparently, the applications for the three trademarks were subsequently withdrawn due to objections from the Registry, so *it was due to no fault of* [LYH] (N/E 348). The **Hi-Bond** applications which LYH instructed solicitors to file on behalf of CIC were subsequently abandoned, which act came in for further criticism from Connie Lim, apparently because they were filed in the wrong class (class 1 instead of class 16/17). However, as Loytape had assigned their applications (2) for the **Hi-Bond** mark to the defendants, the defendants did not refile the applications initiated by LYH.

84. Connie Lim said the defendants learnt that the plaintiffs were selling their own **Hi-Bond** adhesive tapes only in January 2000, when the plaintiffs attempted to register the **Hi-Bond** mark. On the other hand, the plaintiffs were aware that from 1987 onwards, the defendants had manufactured and sold **Hi-Bond** adhesive tapes. Even assuming that the plaintiffs did (through LYH) tell the defendants to stop using the mark in 1997 (which the defendants disputed), she noted that they did nothing thereafter for 3 years, before commencing this action in August 2000.

85. It was drawn to Connie Lim's attention that CIC had claimed goodwill and reputation in the **Hi-Bond** mark (through their solicitors) in April 2000 even though they were the defendants' contract-manufacturers. She testified she was aware of the claim and had made it clear to CIC that if they advertised the mark, the defendants would oppose it. CIC then indicated (when she spoke to their general manager Koay) they would let their application lapse, which they did (on 11 March 2001).

86. The defendants' second last witness was their accountant Tan Poh Suan (TPS) who has been with the defendants for 14 years, reporting to LYH until 1997, after which she reported to Connie Lim. She started off with the defendants as their accounts clerk in June 1987. TPS (DW8) gave a breakdown of the defendants' sales of **Hi-Bond** OPP and masking tapes from October 1986 to December 2000, based on their sales records; she made some adjustments to the figures in her oral testimony. TPS tendered to court (exhibit **D16**) the sales analyses she had prepared, based on computer print-outs she had made from the defendants' records. She explained there was a change in the defendants' financial year in that it used to be 1 October-30 September until December 1993, when it was changed to 1 January-31 December. The defendants' records were computerised in 1987 by LYH and the administration manager.

87. Cross-examined, TPS said although she was not too familiar with the defendants' products, she remembered their OPP and masking tapes because she had come across invoices and later, the product itself (in the course of her stock-taking) in 1987 at the defendants' office.

88. It would be appropriate at this juncture to look at the defendants' sales records in some detail. TPS repeated the assertion made by Allan Tan and Connie Lim that the defendants' documents (including invoices) from 1988 and earlier (save for those relating to the plaintiffs) had been thrown away. Her analyses in **D16** relied on the computer records which the defendants still maintained, from 12 years ago.

89. According to TPS, the staff would feed into the computer system, information from invoices categorised under different products. She agreed with counsel for the plaintiffs that, if the clerk who keyed in the information made a mistake, then the computerised records would also be inaccurate. If there was a computer shut-down, the staff would issue cash bills but subsequently, the information therein would still be fed into the computer system.

90. The categories in **D16** comprised inter alia of items like cellulose tape, star cellulose, hard PVC tape and *other PP tapes* (which were given the stock code B3). TPS said that stock code B3 comprised **Hi-Bond**, **Manuli** and **Nopi** brands. ***Apollo*** *PP tapes* were classified under stock code B2 while transparent tapes were separately classified under stock code B4 as *Transparent P.P.T*. TPS then allocated 30% of the category *other PP tapes* to **Hi-Bond** masking tapes. She disagreed with counsel's suggestion that the percentage was arbitrary; it could not be a lower figure say of 5%; because it was impossible for a factory to produce such a small quantity (which I accept is the case). TPS pointed out that when she joined the defendants, the brand was already in use. She also knew (from filing invoices) that the defendants sold as much to other parties as to the plaintiffs. Counsel for the plaintiffs then inquired why some invoices issued to the plaintiffs by CIC showed **Hi-Bond** OPP tapes under stock code B2 (see AB 15-16) whilst in other invoices it was under stock code B4 **o**r both (AB12/14/22). TPS speculated that classification *other PP tapes* could cover both B2 and B4. She explained that at the time (financial year 1986-87) stock code B2 included **Hi-Bond** as, both **Apollo** and **Hi-Bond** OPP tapes were sourced from Loytape. However, she could not ascertain how much **Hi-Bond** sales there were in the two (2) stock codes nor could she say how much **Hi-Bond** OPP tapes came under stock code B3. By 1990-91, the defendants had refined their categories so that B3 was confined to **Hi-Bond** OPP tapes as, **Kawasaki** OPP tapes were transferred therefrom to stock code B1. The defendants classified **Hi-Bond** OPP transparent tapes under stock code B7 (for which their counsel conceded the defendants could produce no supporting invoices).

91. As for **Hi-Bond** masking tapes, TPS testified they were categorised as *E3 -- other masking tape*, which also included **Kawasaki** masking tapes. When her attention was drawn to the fact that in 1990, there was a separate classification for **Kawasaki** masking tapes, TPS explained it was only from

that year onwards that the defendants categorised it separately as such. Thenceforth, **Hi-Bond** masking tapes came under category *E4*. She acknowledged that the staff could have made a mistake and keyed in **Hi-Bond** masking tapes under category *E3*. Counsel then cross-examined TPS at length on the possible inaccuracy of the computerised records. Even if the sales information had been keyed-in incorrectly, TPS said the problem would only be one of wrong (not none) classification (N/E 566) as, sales of **Hi-Bond** masking tapes would still be captured in some category other than *E4*. I should point out that category *E4* appeared in invoices issued by CIC to the plaintiffs, as seen in invoice 087579 (at AB10) dated 19 October 1988. TPS said it was not possible for *E4* to cover masking tapes other than **Hi-Bond** because **Kawasaki** and **Apollo** tapes had their own classifications and, the defendants sold no other masking tapes. This statement appeared to be borne out by the 1990 invoice TPS referred to (AB 110), where **Kawasaki** masking tape bore the stock code *E3* while **Hi-Bond** masking tape was classified as *E4*.

92. TPS had also produced explanatory notes (**D17**) to reinforce her figures in **D16.** In the course of cross-examination however, it emerged that there may be some mistakes in **D17**. Consequently, TPS produced a fresh set of explanatory notes (in **D18**) and her earlier set was disregarded. **D18** was also subjected to intense scrutiny and cross-examination by counsel for the plaintiffs, again on the lack of documentary evidence to link the print-outs to sales of **Hi-Bond** products. This omission came in for heavy criticism by the plaintiffs in their final submissions (see paras 463 to 493) who contended that the figures were unreliable. TPS agreed with counsel's suggestion that there could be mistakes in keying-in the codes for the various products sold by the defendants. However, she disagreed that there could be mistakes in the computer records themselves. On being questioned by the court, TPS confirmed (N/E 586) that the computer print-outs were based on invoice records.

93. With the consent of the plaintiffs, the evidence of the defendants' last witness Gan Wee Siong (DW9) was accepted without the need for cross-examination. He was the private investigator instructed by the defendants to make trap purchases (see para 17 *supra*) from the plaintiffs of **Hi-Bond** adhesive tapes and sealants as well as of **Mopi** super glue, on 28 June 2000.

The findings

94. The main issue which calls for determination in this case is, who first used/establish the mark **Hi-Bond** and enjoyed its goodwill? It is of secondary consideration what products actually bore the mark or how the pictorial presentation of the mark has evolved/changed over the years. A finding on this issue is essentially one of fact. Determination of this issue will resolve the subsidiary issue of which party actually passed off **Hi-Bond** products when it did not own the goodwill. Both protagonists suffered the same disadvantage of lack of documentary evidence (more so the defendants). Hence, it is necessary to examine closely the testimony of the witnesses called by each side, to determine whose case was the more credible and more consistent with the documents made available to the court, on a balance of probabilities.

The submissions

(i) the plaintiffs' submissions

95. Before making my findings, it would be useful to look at the final submissions of the parties for their respective claim and counterclaim; I start with the plaintiffs' submissions. They asserted that they were the first to use (in 1979) the **Hi-Bond** mark as, **Mopi Hi-Bond.** As far as sealants and glues are concerned, they contended that they were the first to use the **Hi-Bond** mark in the

Singapore market, as reflected in their Yellow Pages advertisements (for 1980-81) and which the defendants conceded in their amended pleadings; this was also admitted by Allan Tan (N/E 307); first usage of the mark was a crucial factor. Moreover, the defendants' own documents showed that they obtained supplies of **Hi-Bond** glue from the plaintiffs in 1980. Later (October 1988 to January 1990), there were invoices of sales of **Hi-Bond** OPP tapes from the defendants to the plaintiffs. These documents (produced by the defendants) showed there must have been a contract-manufacturing arrangement as the plaintiffs asserted, namely that that the defendants manufactured for them. In this regard, the plaintiffs submitted that Connie Lims explanation that LYH had thrown away all other invoices was convenient but not plausible – that LYH would systematically destroy all invoices of the defendants save for those issued to the plaintiffs. Further, there would be no reason for settling on **Hi-Bond** as the mark to be used, if such an agreement did not exist.

96. The plaintiffs pointed out that the defendants had not explained why they allegedly chose the **Hi-Bond** mark for use on adhesive tapes in 1987/88. The plaintiffs had used the mark longer too (since 1981) whereas the defendants first used it only from 1987 onwards (although this was disputed by the plaintiffs) and they did not advertise the mark before 1998 (as admitted by Connie Lim). The plaintiffs were also the first to apply for registration of the **Hi-Bond** mark and were proprietors (in 1979) of the **Mopi Hi-Bond** mark. Further, the plaintiffs had about 15 items in the market bearing the mark as against 3 for the defendants. All these factors pointed to the fact that the plaintiffs were the originators of the mark.

97. Although he was their witness, the plaintiffs urged the court to ignore the testimony of Dua Beng which they contended was unreliable, as it changed in the course of examination-in-chief, cross-examination and re-examination. Even so, the court was asked to accept part of his evidence – that the plaintiffs had used the simple **Hi-Bond** mark on super glues in 1982-83 as Dua Beng's testimony (confirmed by Ling) on this issue did not change during cross-examination; the word **Mopi** was dropped from the mark **Mopi Hi-Bond** shortly after the super glue was introduced into the market.

98. The plaintiffs contended that it was improper of the defendants to allege that the plaintiffs had fraudulently traded in **Alteco** glues (see paras 35 and 37 of the defendants' submissions) when it was not part of the defendants' pleaded case. In any event, the defendants had no knowledge of the distribution terms between Alteco and the plaintiffs. Although Dua Beng had testified that the plaintiffs had deliberately pasted **Mopi Hi-Bond** stickers over **Alteco** bottled glue, there was no evidence that it was done surreptitiously without the consent of Alteco. In this regard the plaintiffs urged the court not to accept the testimony of Toh (DW5) as it was preposterous to believe that the plaintiffs could have replaced the stickers due to their fear, over a span of 14 years, that Alteco would take away their distributorship. Such conduct would also contradict the plaintiffs' intention to develop the **Hi-Bond** brand.

99. Contrary to the defendants contention that the oral agreement between the parties in 1987/88 was a figment of their imagination (merely because their witnesses were not certain of the date), the plaintiffs pointed out that their solicitors (Tang & Tan's) letter dated 2 December 1998 to the Registry had stated that CIC and Loytape had licences from the plaintiffs to use the mark. By then, the plaintiffs had contract-manufactured **Hi-Bond** tapes from Taiwan and Canada. What was noteworthy was the fact that the mark was never used before the meeting. Consequently, how could it belong to the defendants as Allan Tan had asserted? Indeed, he had admitted that it was either LYH or Ling who came up with the suggestion to use **Hi-Bond** on the OPP tapes the defendants produced for the plaintiffs. It was also inconceivable that Allan Tan did not know that the plaintiffs were obtaining supplies of **Hi-Bond** adhesive tapes from parties other than the defendants. Neither did the defendants explain why they failed to respond to those sales between 1987 and 2000. Their conduct was inconsistent with that of a party asserting its rights to a trademark. This was to be contrasted

with the plaintiffs' conduct since 25 July 1997 (by the plaintiffs' letter to CIC in **P36**), the defendants were aware that the plaintiffs had objected to the latter's use of the **Hi-Bond** mark on any products. Hence, it was the defendants not the plaintiffs, who were guilty of delay, laches and acquiescence. In any case, the defendants were not prejudiced by the alleged delay of only 3 years (largely due to the Asian financial crisis and the change in management of the plaintiffs) as no great changes or impact happened to the mark or trade in that interval. Mere delay is not a bar to the grant of an injunction unless it is a bar to a legal right. The defendants' complaint that they could not obtain the assistance of CIC for the trial was not sustainable. In any case, CIC are themselves claiming rights over the **Hi-Bond** mark despite being only the defendants' contract manufacturers.

100. The plaintiffs repeated the above submissions for the **Hi-Bond** masking tapes. They disagreed with the defendants' argument (relying on *Anheuser-Busch Inc v Budejovicky Budvar NP* [1984] FLR 413) that the plaintiffs only had sporadic and occasional sales, which did not constitute the carrying on of a business in which there is goodwill. In his written testimony (para 28), LYH had set out the figures for the plaintiffs' sales of **Hi-Bond** products; they totalled $5,665,084 for the years 1997-99 of which 60% ($3,399,050.40) comprised of adhesives. The plaintiffs also had evidence of ordering substantial quantities of **Hi-Bond** products (including adhesive tapes) from suppliers for the same period.

101. As to the credibility of the witnesses, the plaintiffs urged the court to accept that the memory of some witnesses (no particulars provided) may not be very good because of advanced age. The witnesses were however forthcoming in their answers and admitted openly where their affidavit evidence was inaccurate. The plaintiffs strongly objected to the impugning of the credit of LYH by the defendants. In particular the plaintiffs denied that LYH had doctored the documents; in any event, the alleged doctoring/falsification is irrelevant and not material. The plaintiffs had acted honestly throughout the trial and had given discovery of all documents in their possession, even those which had pencil markings or corrections on some of the file copies. It was to their credit that the plaintiffs did not try to remove the pencil markings.

102. The defendants' witnesses on the other hand, were alleged by the plaintiffs to be forgetful, evasive, not forthcoming in their answers and, sometimes made allegations which proved to be false (referring in particular to Connie Lim). Criticisms were also levelled against Allan Tan's testimony as well as that of Toh, Ong and Tan.

103. As for the Counterclaim, the plaintiffs pointed out that the defendants were not even sure which mark they were claiming goodwill over in para 16 of their (amended) Counterclaim, the defendants claimed goodwill over the special **Hi-Bond** mark (item 3 in **D3)**. However, in the course of trial (N/E 370), after the plaintiffs had closed their case, their counsel sought to amend the defendants' pleadings to include goodwill over any other variation of the **Hi-Bond** mark.

104. The plaintiffs submitted that the alleged goodwill generated by the defendants in the form of advertisements and trade was also not substantiated since, Connie Lim had admitted (N/E 317) that there was no advertisement before 1998 which referred to any tapes or products from the defendants bearing the **Hi-Bond** mark. TPSs testimony (NE 599) that the defendants had engaged in various promotions and advertisements of the mark (Evergreen trade magazine, Stationery World publication. Tradelink, promotional mugs) was not substantiated. In contrast, the plaintiffs had advertised the mark since 1980.

(ii) the defendants' submissions

105. On their part, the defendants inter alia, criticised the plaintiffs conduct of this case as though the plaintiffs had a proprietary right to the trademark **Hi-Bond.** The defendants further alleged that the plaintiffs misrepresented their products as having been in existence earlier than when they were actually introduced into the market, pointing out that some of the plaintiffs products did not exist until May 1987 and in other cases, until July 1997. In this regard, the defendants relied on the testimony of Dua Beng and Toh. The defendants also accused the plaintiffs (in particular LYH) of doctoring or falsifying documents, again relying on Dua Bengs testimony.

106. It was also pointed out by the defendants that the plaintiffs changed their position on two (2) material points namely, the year of the alleged oral agreement and, the year of the alleged use of the **Hi-Bond** mark in 1986 on OPP and masking tapes made in Taiwan and Canada respectively. In their pleadings (para 5 of the statement of claim) the plaintiffs alleged that the oral agreement was made in or about but not before 1990. In discovery, the defendants gave the plaintiffs copies of invoices (AB1-1102) evidencing sales of **Hi-Bond** OPP and masking tapes in 1988. Knowing that their allegation of an oral agreement in 1990 would not be sustainable, the plaintiffs then shifted the date of the oral agreement forward (closer to 1988), in their Further and Better Particulars dated 9 January 2001. For the same reason, the plaintiffs' witnesses (LYH and his brother Ling) in their written testimony deposed that they used the **Hi-Bond** mark on the plaintiffs' products before the defendants' usage on OPP and masking tapes in 1987 and 1988 respectively.

107. The defendants submitted that the credibility of the plaintiffs' witnesses was highly suspect. They singled out the plaintiffs' star witness LYH as one witness who either lied or feigned ignorance on several occasions and whose evidence on crucial issues in particular on the doctored documents, was evasive or vague. The testimony of Mew, (PW2), Ling (PW4) and Ang (PW5) also came in for varying degrees of criticism. Instead, the defendants urged the court to accept the testimony of Dua Beng (PW3) as coming from someone who was a founder and managing-director of the plaintiffs, upon whom the plaintiffs relied especially for glues and sealants. He was also the man who knew of the use of the mark **Hi-Bond**, on which products and at which point in time. The defendants submitted that it was wrong of the plaintiffs to insinuate that Dua Beng's testimony was untruthful because he had allegedly imposed conditions for being their witness, which allegations Dua Beng had refuted .

108. As the defendants neither make nor sell glues or sealants (as acknowledged by the plaintiffs' various witnesses) the plaintiffs' claim for actionable misrepresentation should be limited to only adhesive tapes. The plaintiffs' goodwill in this regard would relate to two (2) possible periods namely, before May 1987 and after July 1997. The first period related to the time when the defendants first started to use **Hi-Bond** on OPP tapes while the second period related to the time when the plaintiffs allegedly terminated the oral agreement which gave the defendants the licence to use the mark. That would mean that until July 1997, there was no passing off because the usage by the defendants was with the plaintiffs' consent.

109. As it was/is the defendants' case that there was no such oral agreement, it meant that the relevant date would be up to May 1997. At that juncture, the defendants question, what goodwill the plaintiffs could have had, since the mark **Hi-Bond** was not then used by them on any glues, sealants or adhesive tapes? Relying again on Dua Beng's testimony as well as on the invoice dated 22 January 1988 of Commercial Supplies (Far East) Pte Ltd (**P29**) to the plaintiffs, the defendants asserted that the plaintiffs first used **Hi-Bond** on sealants in 1988, by which time the defendants had already used it on adhesive tapes; hence the plaintiffs had no goodwill.

110. The defendants did an analysis of the plaintiffs' various products as reflected in the supplementary agreed bundle of documents (SAB1-927) and ascertained that there was no evidence of the use of the **Hi-Bond** mark on:

(i) super glues for the period 1991-2000;

(ii) wood glue before 1993 or after 1996;

(iii) sealants before 1991 and after 1996;

(iv) OPP tapes after 1993;

(v) PTFE or DSCT tapes after 1997;

(vi) PVC tapes after 1996.

The defendants submitted that the sum total of the documentary evidence adduced from the documents in 4AB1-927 was, that the plaintiffs had no sales of glues, sealants or adhesive tapes (save for DSFT) after 1996.

111. Consequently, the defendants argued, the plaintiffs had no sales between 1997-2000 to prove goodwill. The defendants reinforced their submission by pointing out that the plaintiffs had only one Yellow Page advertisement for 1996 and 1997, for **Hi-Bond** adhesives/sealants but not adhesive tapes. However, they had advertised **Hunter** adhesive tapes in those years. This led to the irresistible conclusion that the defendants, not the plaintiffs, own the **Hi-Bond** mark for adhesive tapes.

The law

112. I turn next to the law. The defendants quite rightly pointed, out that in a common law action for passing-off, the proprietorship in a mark has no relevance. Consequently, the plaintiffs submissions pertaining to their applications for registration of various trademarks on various dates, has no relevance to the issue of passing off. Neither does the fact that the plaintiffs may have attempted to register the mark first necessarily mean (as they contended) that they were the originators of the mark. Conversely, the fact that the defendants did not attempt to register **Hi-Bond** as a mark until 1996 does not necessarily mean that they do not enjoy goodwill in the mark. The concept of passing-off can be succinctly stated in the proposition that no man may pass off his goods as those of another. What the plaintiffs must prove to succeed in an action for passing-off is the 'classical trinity' (derived from the '*Jif lemon*' case of *Reckitt & Colman Products Limited v Borden Inc* [1990] RPC 341 at p 406):

> (i) he must establish a goodwill or reputation attached to the goods or services which he supplied in the mind of the purchasing public by association with their identifying get-up;
>
> (ii) that there was misrepresentation by the defendant to the public (whether or not intentional) leading or likely to lead the public to believe the goods or services offered by him were the goods or services of the plaintiff, and
>
> (iii) that he was suffering or was likely to suffer damage by reason of the erroneous belief engendered by the defendant's misrepresentation.

It was irrelevant whether or not the public was aware of the plaintiff's identity as the manufacturer or supplier of the goods in question, as long as they were identified with a particular source.

113. The goodwill relevant in a passing-off action was not in the mark, logo or get-up. It was the goodwill between a trader and his customers which was protected. Unlike reputation, it did not exist on its own and it attached to a business (see *CDL Hotels v Pontiac Marina Pte Ltd* [1998] 2 SLR 550 at p 551). Hence, the relevant date of such goodwill must be the date when the defendants carried out the acts complained of by the plaintiffs. As for misrepresentation, the plaintiffs must prove that the defendants passed off their goods as the plaintiffs, alternatively, that the defendants or their goods have become associated with the plaintiffs. In determining whether there had been misrepresentation in a passing-off action, it was not necessary that there should have been any confusion occasioned by the misrepresentation, although confusion was of great evidential value (*CDL Hotels v Pontiac Marina Pte Ltd* p 551). I should point out that in the light of Angs (PW5) testimony, there was no evidence of actual confusion at all in this case.

The findings

114. Bearing the above legal principles in mind, I turn now to the facts of this case. I shall first set out my findings on the evidence before I address other issues that arose in the course of trial.

(i) the evidence

115. The key witnesses in this battle were LYH and Dua Beng for the plaintiffs while for the defendants it was Connie Lim. However, the plaintiffs' stance on Dua Beng was unusual instead of examining Dua Beng as their own witness, their counsel cross-examined him. Further, in their final submissions (paras 365 to 382) the plaintiffs sought to discredit his testimony save where it favoured them (para 471). Having heard his testimony and seen his demeanour however, I am of the view that Dua Beng was a truthful albeit reluctant, witness. He was reticent and did not volunteer information readily but, when asked, he answered questions in a forthright manner. As an aside, I should add that the veracity of Dua Beng in relation to what he said about termination of the plaintiffs' **Alteco** super glue distributorship was confirmed by an unexpected source, although his year 1993-94 was incorrect. The defendants bundle of authorities included the case of *Alteco Chemical Pte Ltd v Choong Yean Wah t/a Yamayo Stationery Manufacturer* [2000] 1 SLR 119. In that case, the Singapore offspring of the Japanese parent manufacturers of Alteco super glue, sued a local sole-proprietorship for passing off her glue product as Altecos 3gm super glue, by using a similar get-up of tube card packaging as the plaintiffs' special SG-12. It was the evidence in that case that the Singapore company sold their product in the special SG-12 get-up, through their exclusive distributor who were the plaintiffs, up until 1991. The company started manufacturing glue in Singapore in the SG-12 get-up in January 1990 and, made its first sales in Singapore in July 1990.

116. My assessment of LYH as a witness is far different from my appraisal of Dua Bengs testimony. Earlier (para 51), I had commented on the testimony of his younger brother Ling; LYHs testimony was even less satisfactory he took liberties with the truth and shifted his stance whenever it suited him to do so, prompting the court at one stage (N/E 83) to remind him he was under oath. Based on Dua Beng's testimony as well as that of Loo (DW1), whom I had earlier indicated (para 57) was a totally impartial witness, I have no doubt that LYH was capable of and responsible for, attempting to alter the dates in various documents to tailor them to fit the plaintiffs' case, including PB3, P17, P34, P35. Indeed, in the case of PB3, I would go further to say that the document was created by LYH to give the false impression that the plaintiffs applied for registration of the **Hi-Bond** mark on 5 February 1979; that application could not have existed even as at 5 December 1979 as the plaintiffs did not have that design of the mark yet. I strongly believe that PB3 was created by LYH from the plaintiffs' later (and exact same) application dated 28 October 1987 (PB7) as, Loo had testified that such a

TM6 form (if indeed it was submitted) would bear the Registry's rubber stamp of the date of submission and no copy would be given to the applicant; further, the Registry's address at Colombo Court did not exist until March 1987. Again, relying on Loo's testimony (para 56 *supra* and N/E 259), it is my finding that the application in PB7 was never even submitted to the Registry. Such conduct, bordering on dishonesty, totally discredits the testimony of LYH. There is little doubt that he drafted the self-serving documents in **P36** and PB94. Contrary to his denials, I also believe that LYH was summarily dismissed by the defendants in July 1997 for breach of fiduciary duties. Otherwise, he could/should have sued the defendants for wrongful dismissal.

117. Although the plaintiffs in their final submissions sought to persuade the court otherwise (paras 211-213), I am of the view that the act (on the instructions of LYH) of putting the words **USA** on the inner core of **Hi-Bond** masking tapes sold by the defendants and (later) the plaintiffs, was meant to deceive the public and give the (wrong) impression that the products were manufactured in the United States instead of Malaysia and China respectively. I do not accept the explanation (N/E 268) of LYH that the paper (jumbo pack) to make the plaintiffs' tapes came from the States as, no supporting evidence was produced. Such conduct, coupled with the fact that the plaintiffs were sued by CIC and fined $100,000 for infringement of the **Apollo** trademark and, the plaintiffs had requested Indonesian manufacturers to produce **Hunter** and **Clipper** brand tapes (which trademarks they neither own nor were licensed to use), are telling reflections of his character. I disagree with the plaintiffs' contention that Connie Lim made wild allegations when she testified that LYH threw away a lot of the defendants' documents before he left the company. I believe he is quite capable of such acts and that LYH may have planned well in advance for the plaintiffs and himself (as the major shareholder) to take away the defendants' trademark(s). It is indeed strange that the only invoices that the defendants still had and were able to produce in court pertained to sales they made to the plaintiffs and no one else.

118. Although Dua Beng was the plaintiffs' managing-director, there is no doubt that LYH dominated him and, was the controlling force behind the company long before LYH joined the plaintiffs officially in 1997. The evidence of Toh (DW5) which I accept was, that LYH was seen in the premises of the plaintiffs every month from 1980 onwards and with increasing frequency in later years; this was well before he left the defendants' employment in July 1997. What would the general manager and subsequently a director of the defendants, be doing so often in the premises of another company which engaged in trade similar to the defendants, if not to further the latter's business at the expense of the former?

119. As for the other witnesses of the plaintiffs, I have already observed that the testimony of Ling (PW4) and Ang (PW5) could not be considered unbiased while Mew's (PW2) testimony was largely hearsay, for the reasons set out in para 33.

120. In contrast to the plaintiffs' witnesses, the testimony of the defendants' witnesses was more credible and consistent with whatever documents there were. They had an independent witness in Loo while other witnesses such as Toh (DW5) and Allan Tan spoke the truth notwithstanding that they distribute the defendants' products and work for the defendants respectively. I am also of the view that Lim (DW3) would have no reason to testify other than to the truth, as he works for Loytape. Although counsel for the plaintiffs cross-examined TPS (DW8) at length on her calculations, it was more on the basis that her figures were inaccurate due to wrong classification of products sold by the defendants; it was not a case of the defendants not having sold **Hi-Bond** products at all (see para 94 *supra*), since her computation was based on the defendants' computerised records of invoices.

121. As for the alleged oral agreement pertaining to the conditions imposed on the defendants for the

use of the **Hi-Bond** mark, I am of the view that it never existed; it was a pure concoction on the part of LYH and his brother Ling to improve the plaintiffs' case. It was impossible to pin either of them down to a specific year let alone month, of the alleged agreement as the dates shifted from 1988 to 1990, depending on who gave evidence and in what connection. Dua Beng (and Allan Tan) had testified that a meeting did take place in 1987-88 but, he could not be sure who came up with the word **Hi-Bond** or why. Neither could Dua Beng recall he or anyone else saying that the mark belonged to the plaintiffs and, that permission to the defendants to use the mark could be withdrawn at anytime. It was not for LYH or his brother to speak for the plaintiffs before July 1997 as they then worked for the defendants. I am equally sceptical that there was a telephone request from LYH to Allan Tan in August 1997 to cease using the **Hi-Bond** mark; in any case this allegation was denied by Allan Tan. If indeed the defendants were the plaintiffs' contract manufacturers as LYH/the plaintiffs claimed, it did not make sense for the plaintiffs to write to CIC to stop manufacturing **Hi-Bond** products, by their letter in **P36** (25 July 1997); the letter should have been addressed to but, was not even copied to the defendants, who had to be faxed a copy by CIC.

(ii) the decision

122. Based on the evidence adduced from Allan Tan, Lim, Toh, Ong and Tan coupled with the figures produced in court by TPS, I find that the defendants first sold **Hi-Bond** tapes in particular, OPP tapes in 1987, followed by masking tapes a year later.

123. As for the plaintiffs, they used the mark **Mopi Hi-Bond** on super glues in 1979; however, they did not use **Hi-Bond** itself as a mark on their products until some time in 1988. They continued their use of **Mopi Hi-Bond** as a mark until at least March 1992 (based on the invoice at AB1367 of Leonie Trading Company for printing **Mopi Hi-Bond** stickers). Use of **Hi-Bond** as a mark by the plaintiffs could not have been earlier (namely after 1980 as LYH claimed) since Dua Beng (who was in charge of trademark applications) had himself written to the Registry in April 1989 to say that the plaintiffs had first used the **Hi-Bond** mark in 1988. Such contemporaneous correspondence between the plaintiffs and the Registry would surely reflect the true position, unlike self serving letters drafted/written by LYH after July 1997, such as PB94 (para 40 *supra*). Given my comments in para 81 above, I also find that the defendants' product brochure (**D1**) preceded the plaintiffs' brochure by at least 4 years (1991) and that the latter could not have been produced earlier than September 1995. Consequently, it is the defendants not the plaintiffs, who had/have the goodwill in the mark **Hi-Bond** whatever the get-up and design. It was the defendants who first used the special **Hi-Bond** mark on their adhesive tapes; the plaintiffs copied that distinctive mark for their adhesive tapes and for their (carton box) packaging (see **P16**).

124. The defendants had in court and in their current pleadings (para 2 of the re- amended Defence and Counterclaim) abandoned their earlier stand that they were the first to use the **Hi-Bond** mark on glues and sealants. That concession accords with my finding that the plaintiffs were the first to use the mark together with the word **Mopi** on glues and sealants but, not on adhesive or other tapes.

125. I accept the defendants' submission that whatever goodwill the plaintiffs may have enjoyed for their adhesive tapes may not have been genuine in any event their masking tapes bore the words **USA** (which would have deceived unsuspecting members of the public into believing they were buying an American product) while their earlier sales of bottled **Mopi Hi-Bond** super glue contained **Alteco**, not their own **Mopi** product.

126. Accordingly, the plaintiffs' claim is dismissed with costs to the defendants. In the light of my finding, there is no necessity to consider whether the plaintiffs would have been guilty of laches and

acquiescence for not taking action against the defendants for three (3) years after LYH had joined them.

127. The defendants are awarded interlocutory judgement (with costs) on their Counterclaim and a permanent injunction is granted against the plaintiffs in terms of prayer 1 of the reliefs claimed, restraining the plaintiffs inter alia, from manufacturing for sale and passing off adhesive tapes as those of the defendants under the mark **Hi-Bond.** The plaintiffs/their agents are further directed to withdraw all pending trademark applications relating to the word **Hi-Bond** and are prohibited from re-filing applications to register the mark in Singapore and elsewhere. In addition, the plaintiffs are required to deliver up to the defendants (within 7 days of the release of this judgment) all their stocks of adhesive tapes bearing the mark **Hi-Bond** whether held by them or by their agents (including their distributors). The defendants are further granted an order in terms of prayer 5 (for discovery) of their reliefs claimed. There will be an inquiry for damages pursuant to prayer 6 of the counterclaim or, at the defendants' option, an account of the profits made by the plaintiffs arising from all acts of passing off the **Hi-Bond** mark, with the costs of such assessment or inquiry to be reserved to the Registrar.

Offers to Settle

128. It was drawn to my attention by counsel upon my recent inquiry, that the parties had made Offers to Settle to one another. The plaintiffs' Offer to Settle was dated 21 February 2001 whereas the defendants' Offer to Settle was dated 23 February 2001; both offers were rejected. As I have dismissed the plaintiffs' claim, I need only consider the defendants' Offer to Settle which was in the following terms:-

> 1. the plaintiffs cease use of the Hi-Bond mark in any variant for adhesive tapes and submits by way of a consent judgment to an injunction in terms of Prayer 1 of the Amended Defence and Counterclaim dated 14 February 2001 limited to Hi-Bond;
>
> 2. the plaintiffs to pay the defendants party and party costs of the action which are to be taxed if not agreed;
>
> 3. the plaintiffs withdraw all pending trade mark applications in class 16 or 17 for adhesive tapes for the Hi-Bond mark in any variant and agrees not to file any such applications in the future for so long as the defendants use the Hi-Bond mark in any variant for adhesive tapes;
>
> 4. the plaintiffs' claim be discontinued.

129. Pursuant to O 22A r 9(3) of the Rules of Court, as the defendants' Offer to Settle was no less favourable than what has been awarded to them, they are entitled to their costs against the plaintiffs (on both the claim and counterclaim) on a party to party basis up to and including 23 February 2001; thereafter the defendants are entitled to their costs on an indemnity basis.

Sgd:

LAI SIU CHIU

JUDGE

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