Bluestar Exchange (Singapore) Pte Ltd v Teoh Keng Long and others (trading as Polykwan Trading Co)
[2003] SGHC 169

Case Number : OM 6/2003

Decision Date : 06 August 2003

Tribunal/Court : High Court

Coram : Woo Bih Li J

Counsel Name(s) : Wong Siew Hong and Tay Sock Kheng (Infinitus Law Corporation) for the applicant; Dedar Singh Gill and Paul Teo (Drew & Napier LLC) for the respondents

Parties : Bluestar Exchange (Singapore) Pte Ltd — Teoh Keng Long and others (trading as Polykwan Trading Co)

Trade Marks and Trade Names – Partial revocation – Whether classification unduly wide – Trade Marks Act (Cap 332, 1992 Ed) s 22(7)

Trade Marks and Trade Names – Revocation – Distinctive character – Trade Marks Act (Cap 332, 1992 Ed) s 22(2)

Trade Marks and Trade Names – Revocation – Whether use of variants of trade mark constitutes genuine use for five years – Trade Marks Act (Cap 332, 1992 Ed) s 22(1)(a)

Inroduction

1 This application was made by the Applicant Bluestar Exchange (Singapore) Pte Ltd to, inter alia, revoke Registered Trade Mark No. T92/098573C ("the RTM") of which the Respondents Teoh Keng Long, Teo King Ann and Wong Sin Chong trading as Polykwan Trading Company are the registered owners. Polykwan Trading Company is a firm in Malaysia. After hearing arguments, I dismissed the application with costs.

Background

2 The RTM comprises two elements:

(a) a large star device

(b) the words "BLUE STAR" below the star device.

The Respondents became the registered proprietors of the RTM as at 11 December 1992 for men's undergarments, briefs, socks, men's sports clothing, knitwear, singlets, swimwear, all included in class 25.

3 However, the RTM or, rather, a variant thereof was used only from about December 1996. The Respondents used a Malaysian company Exclusive Garments Mfg Sdn Bhd to manufacture various clothing for sale in Singapore and elsewhere. Exclusive Garments Mfg Sdn Bhd is a wholly owned subsidiary of another Malaysian company Spantex Garment Corporation Sdn Bhd and all the shares in that company are held by the same three persons who are the Respondents. The clothing is distributed in Singapore by Spantex Marketing Singapore Pte Ltd.

4 The initial use of BLUE STAR with a star device had the star device with lateral stripes across it. In 1998, the Respondents started to phase out this star device (with lateral stripes) and alleged that since 1998 they had stopped using such a star device.

5 The sales figures of BLUE STAR products in Singapore were as follows:

Year	Figure (SGD)
1996	29,990.40
1997	82,509.24
1998	231,983.40
1999	414,088.52
2000	314,105.88
2001	149,908.00
2002	87,279.00

6 In the meantime, Giordano International Ltd ("Giordano International") a company domiciled in Bermuda and listed on the Hong Kong Stock Exchange incorporated Giordano Originals (S) Pte Ltd ("Giordano Singapore") in Singapore in 1981. In 1999 as part of the multi-branding strategy of Giordano International, its management decided to establish a "downline" brand by the name of Bluestar Exchange. Its original trade mark was the word "BLUESTAR" as a single word with "BLUE" in dark letters and "STAR" in white letters. Furthermore, the "A" in "STAR" was replaced with a star device in a stylistic form. The word "EXCHANGE" was in smaller letters below "BLUESTAR". The Applicant said that that mark was then modified "slightly" so that a star device became situated on the right of the words. I would add that the previous star device which replaced "A" in "STAR" was in turn replaced by an "a" of the same size as the rest of the letters. Thirdly, "STAR" was no longer in white but in dark letters. Fourthly, the "E" in "BLUE" was replaced by an "e" which was also the same size as the rest of the letters. Fifthly, the overall lettering was shorter and fatter than the initial BLUESTAR of the Applicant. Sixthly, the new trade mark had a small space between "BLUE" and "STAR" whereas the initial one did not have a space in between.

7 Bluestar Exchange outlets were established in Hong Kong, Taiwan and China as well as in Europe including Germany but the outlets in Germany were closed in September 2002. As at the date of the hearing before me, there were 62 Bluestar Exchange outlets but the outlet in Singapore had been closed. In 2002, Bluestar Exchange sales made up 7% of Giordano International's total sales.

8 In the meantime, on 19 January 2000, applications were made by Hawthorne Enterprises Ltd ("Hawthorne") to register the original Bluestar Exchange mark in classes 18, 25 and 35 in Singapore. Hawthorne is a Bermuda company which was set up to be the holding company of Giordano International's intellectual property. The applications are under examination by the Intellectual Property Office of Singapore and the application for one of the classes is opposed by the Respondents.

9 To spearhead the entry of the Bluestar Exchange brand in South East Asia, the Applicant was incorporated on 7 July 2000. A retail outlet was set up in Jurong Point Shopping Centre and business commenced in September 2000.

10 However, prior to commencing business in Singapore and the applications to register the Bluestar Exchange mark in Singapore, Hawthorne had instructed a search to be done in the Singapore

Trade Marks Registry. Paragraph 13 of the first affidavit of Robert Tay Chin Leong, filed on behalf of the Applicant stated:

> 13. I am further informed that prior to commencing business in Singapore and applying to register the BlueStar Exchange trade mark in Singapore, Hawthorne had instructed a search to be done in the Singapore Trade Marks Registry to establish if the mark was available for registration. The search threw up numerous trade marks which include the words "BLUE" and "STAR" as well as graphical devices of star. I show herewith as Exhibit "RT-5", computer printouts showing the prevalence of these elements in Class 25.

The computer print-outs exhibited had the date 19 March 2003 on them and were evidently not the result of the search done before 2001. Even then, it was clear from these print-outs that all the marks other than those belonging to the Applicant or the Respondents, did not have the combination of the words "BLUE" and "STAR", let alone "BLUE" and "STAR" with a star device. Most of the other marks had the word "STAR" in combination with other words but not "BLUE". Of these, some had the star device while others did not. Conversely some had the star device without the word "STAR". Some marks had the word "BLUE" but not in combination with the word "STAR".

11 The marks which had the words "BLUE" and " STAR" and the star device were the Applicant's original mark which was pending registration and the RTM and a series of marks which had also been registered in the name of the Respondents. There was one mark with the words "BLUE STAR" without a star device which was pending registration. The applicant was Chiam Hern Kian, a director of Spantex Marketing (S) Pte Ltd, the Respondents' distributor in Singapore. Neither side asserted that Mr Chiam's application was really for his own benefit.

12 In summary, para 13 of Robert Tay's first affidavit was quite inaccurate as it gave the impression that there were numerous trade marks belonging to others which had the combination of the words "BLUE" and "STAR" as well as the star device.

13 The Applicant accepted that the search which had been conducted prior to commencement of its business revealed the existence of the RTM. Paragraph 14 of Robert Tay's affidavit went on to assert that he was given to understand that inquiries were made to ascertain if the RTM was being used in Singapore and the inquiries indicated that it was not. However, I noted that there was no elaboration on the nature or the extent of the alleged enquiries. Neither was there an affidavit from anyone who purported to make such enquiries then. If indeed Giordano International had caused inquiries to be made to ascertain whether the RTM was being used in Singapore before the Applicant was incorporated and commenced business, such inquiries must have been quite cursory. Otherwise they could not have failed to learn of the use of the RTM or variants thereof in Singapore.

14 In any event, the Applicant took the position that the prominent or distinctive feature of the RTM was the large star and the RTM was sufficiently different from its own original mark as both were visually very dissimilar. With this in mind as well as the intention to sell its products exclusively at its own retail outlets, the Applicant took the view that there was no likelihood of confusion or deception and sold products with its original mark in Singapore.

15 As it transpired, one of the Respondents Teoh Keng Long received information that Mr Chiam of Spantex Marketing (S) Pte Ltd had on 7 December 2001 received a complaint from a customer visiting one of the retail outlets in Singapore selling the Respondents' products regarding a 20% discount voucher for "Blue Star" products. The Respondents had not issued, or authorised the issue of, such a voucher. After enquiries were made, the Respondents ascertained that the voucher had been issued by the Applicant's retail outlet at Jurong Point Shopping Centre in Singapore and that the

Applicant was selling various kinds of clothing bearing the words "BLUESTAR" or "BLUESTAR EXCHANGE", mostly with a star device.

16 By a letter dated 16 January 2001, Lee & Lee, the then solicitors of Exclusive Garments Manufacturing Sdn Bhd and the Respondents wrote to the Applicant alleging that it had infringed the RTM. This resulted in correspondence from Allen & Gledhill but there was no resolution.

17 On 27 February 2001, a complaint was made against the Applicant at the Subordinate Courts and a search warrant was obtained. On 28 February 2001, the execution of the search warrant at the Applicant's retail outlet at Jurong Point Shopping Centre was halted by a magistrate pending the presentation of arguments by both sides. At a subsequent hearing on 16 March 2001, no order was made as to the validity of the search warrant. On 20 March 2001, various kinds of clothing sold by the Applicant and which might have infringed the RTM were delivered up to the Criminal Investigation Department Intellectual Property Rights Branch.

18 In the meantime, the Respondents had filed an action in the High Court by way of Writ of Summons No 253 of 2001 on 5 March 2001 against the Applicant alleging infringement of the RTM. This action was subsequently discontinued because the Applicant was a two-dollar company.

19 In March and April 2001, there were one or two meetings between Tay Ching Leong and/or the Second Respondent and the Applicant to see if a settlement could be reached. However, no settlement was reached.

20 The Applicant continued to sell clothing under its original mark and accordingly, the Respondents obtained another search warrant on 8 October 2001. This was executed on 9 October 2001 and various kinds of clothing were seized.

21 A fiat was subsequently obtained and the Applicant was charged with committing offences under s 49 of the Trade Marks Act 1998. As Tay Ching Leong was a director at the time when the second raid was conducted, he was charged with having consented to or connived with the Applicant on its commission of the offence. At a pre-trial conference on 26 February 2002, hearing dates were given for 24 to 26 March 2003 for the charges. On 21 March 2003 ie the Friday before the first day of hearing, the Applicant filed the present application by way of Originating Motion and on 24 March 2003, sought and obtained an adjournment of the hearing of the charges pending the outcome of the application. As I have mentioned, I dismissed the application with costs after hearing arguments. The Applicant has appealed to the Court of Appeal.

22 As I have also mentioned, the Applicant's retail outlet (at Jurong Point Shopping Centre) has stopped selling its products as at the date of the hearing before me.

Submissions and my reasons

23 The application had various prayers for various reliefs on various grounds. However, upon commencement of the hearing before me, Mr Wong Siew Hong, Counsel for the Applicant, confined the application to seeking a revocation of the RTM pursuant to s 22(1)(a) of the Trade Marks Act ("the Act"). However s 22(1)(a) has to be read together with s 22(2). These provisions state:

> 22. (1) The registration of a trade mark may be revoked on any of the following grounds:
>
> (a) that, within the period of 5 years following the date of completion of the registration procedure, it has not been put to genuine use in the course of trade in Singapore, by the

proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

….

(2) For the purposes of subsection (1), use of a trade mark includes use in a form *differing in elements which do not alter the distinctive character of the mark in the form in which it was registered*, and use in Singapore includes applying the trade mark to goods or to materials for the labelling or packaging of goods in Singapore solely for export purposes.

….

[Emphasis added]

24 It was common ground that the Respondents had applied for registration of their mark on 11 December 1992. It was advertised for opposition purposes on 27 June 1997 and the Certificate of Registration was issued on 28 November 1997. Accordingly, 28 November 1997 was "the date of completion of the registration procedure" for the purpose of s 22(1)(a) and the five year period ran from 28 November 1997 ("the Relevant Date").

Was the RTM used by the Respondents or with their consent in Singapore within five years from the Relevant Date?

25 It was not disputed that before and since the Relevant Date, the Respondents' products had been sold in Singapore. However, the first ground of attack by Mr Wong was that the Respondents had used variants of the RTM rather than the mark as registered. This argument was in turn qualified by another argument that the only "use" of the RTM appeared to be on socks (para 21 of Applicant's submissions). On this item, the Respondents adduced photos of a sock with a tag bearing what appeared to be the RTM. The sock itself had the words "BLUE STAR" and a star device imprinted on it although the star device was beside the words and not on top and the star device was smaller than the one in the RTM.

26 Even then, Mr Wong submitted that there was no evidence that such socks had ever been sold in Singapore. However, there was evidence of sales in the form of invoices from Spantex Marketing (Singapore) Pte Ltd to Singapore retailers of socks within five years from the Relevant Date. Also, the report of investigators engaged by the Applicant and dated 21 January 2003 stated that socks "with this brand" were being sold in Singapore. Although the date of this report was after the five year period from the Relevant Date, I was satisfied from the evidence and on a balance of probabilities that the socks had been sold in Singapore within five years from the Relevant Date.

27 Mr Wong also refused to accept that the tag on the socks was identical to the RTM because, he said, the size of the star device in proportion to the words were not the same as those in the RTM. I did not notice such a difference in proportion. Even if there was, it was so slight that it clearly came within s 22(2) ie the difference did not alter the distinctive character of the mark on which I will say more about later.

28 A different version of the tag for socks was also used as labels and/or tags on briefs for males and on T-shirts and singlets sold in Singapore. These labels and/or tags had a smaller star device which was below, not on top, of the words. Also, the words were larger than those in the RTM. In addition, other variations of the RTM were used for these products.

29 For example:

(a) for the briefs, there was also a label with a star device in between the words. The star device also had an orange outline,

(b) the front of the T-shirts had the words "Blue Star Division" in various forms of lettering,

(c) the singlets had the words "BLUE STAR" with a star device above the words but the star device was not a plain dark star (as in the RTM) but was inserted within a larger white star and the stars were captured in a square box.

30 Mr Wong accepted that the concept behind the RTM was "BLUE STAR" but he submitted that what was distinctive was the layout of the star above the words "BLUE STAR" as well as the size of the star. In his words, the star must be on top and it must dominate. He submitted that use of a mark which excludes the star cannot be counted. Secondly, use of a star device by itself ie without the words cannot be counted. However this argument was immaterial as there was no product of the Respondents using the star alone. Mr Wong further submitted that use where the star device is not dominant cannot be counted. Also if the star device was used with other devices like the Union Jack flag (as seen in a packaging) also cannot be counted.

31 Mr Wong submitted that the words "BLUE" and "STAR" comprised common elements. They were not invented words and there could be no monopoly over them. The star device was commonly used in trade and he sought to rely on the search which I mentioned in paras 10 to 13 above.

32 Mr Wong also referred to a number of cases. In particular, he relied on the judgment of Simon Thorley QC (sitting as a Deputy Judge of the High Court) in *Bud and Budweiser Budbrau Trade Marks* [2002] RPC 38. In relation to s 46(2) of the UK Trade Marks Act 1994, which is the equivalent of our s 22(2), Simon Thorley QC said:

> 22 Next, it is to be noted that the language of section 46(2) does not use a comparative when defining alterations that can be accepted. It does not state that the alteration must no "substantially" alter the distinctive character. The requirement is that the alternative form may only differ in elements which do not alter the distinctive character of the mark. In my judgment this is indicative that the subsection is of *narrow scope*. Alterations which would be immaterial for the purpose of infringement, in that the alleged infringing mark was confusingly similar to the registered mark, are irrelevant. It is thus necessary for any tribunal seeking to apply section 46(2) to determine what is the distinctive character of the mark and which are the elements that, in combination, contribute to that distinctive character. Thereafter it must enquire whether any alteration to any of those elements is of sufficient immateriality as not to alter that overall distinctive character.
>
> [Emphasis added]

33 Mr Wong informed me while the actual decision of Simon Thorley QC was reversed on appeal, the Court of Appeal did not dissent from that part of his judgment which said that the relevant provision was of narrow scope.

34 On the other hand, notwithstanding the changes made to the Applicant's own mark, as I have elaborated in para 6 above, the Applicant's Tay Ching Leong had asserted that its original mark had been modified "slightly" only (see para 9 of his affidavit).

35 Mr Dedar Singh Gill, Counsel for the Respondents, submitted that in cases where revocations were ordered, this was because the variation used omitted an element of the mark as registered. He stressed that Mr Wong was not able to cite a case of revocation where all the elements of the mark had been included, although in a different form.

36 It is trite law that each case must depend on its own facts. In my view, the distinctive character of the RTM was not the star device notwithstanding its size. Size is not everything and is not always distinctive. The star device was a plain star with five points. As Mr Wong himself had said during submissions, the plain star device was used in many marks belonging to others. For example, there was a mark with a plain star and the word "CONVERSE" in a semi-circle above the star and "ALL STAR" in a semi-circle below the star. Also "Chuck" was on the left and "Taylor" was on the right of the star. Although the star was slightly smaller than the one in the RTM, it was still highly visible.

37 Likewise, in another mark, there was a plain star with the words "U.S. MASTER" in a semi-circle above the star and "HARLEM STAR" in a semi-circle below the star. The star here was again slightly smaller than the one in the RTM but still highly visible.

38 I would have thought that the distinctive character of these two marks is not so much the star device but the words "CONVERSE" and "U.S. MASTER/ HARLEM STAR" respectively.

39 True, the search revealed a mark where the star device may be said to be the distinctive aspect of the mark ie T89/07209D. However, there are no words in this mark and the star device actually comprises two stars ie a plain star within a larger and more stylistic star.

40 While the words "BLUE" and "STAR" are common words individually and each was used in marks belonging to others, it was the combination of these two words which, in my view, gave the RTM its distinctive character. As I have said, the Applicant's search did not reveal any mark, other than those of the Respondents and the Applicant, which had the combination of these two words. The combination of two common words can be distinctive like "Burger King".

41 The RTM should not be considered in isolation as a registered trade mark. Here, the business was the manufacture and sale of clothing to the public. In my view, the trade and public would refer to the RTM simply as "Blue Star" and not "Blue Star with a star device". Indeed, Mr Wong accepted that audibly there would be no difference between the variants of the RTM used by the Respondents and the RTM itself. However, he stressed that visually there would be.

42 In my view, Mr Wong's submission on the variants would succeed if I had accepted that the location of the star device and the size of the device was the distinctive character of the RTM. I concluded otherwise. Accordingly, in my view, the use of a smaller star device and the insertion of the star device in a different location, for example, below or beside or in between the words "BLUE STAR" did not alter the distinctive character of the mark. The distinctive character, which was the words, had been enlarged while the star device had become smaller. Such an enlargement did not, in my view, run afoul of s 22(2). Accordingly, it was not necessary for me to decide whether the use of:

(a) the words without the star device,

(b) the words in different forms of lettering,

(c) the mark with a more graphic design of the star device

would run afoul of s 22(2) because all the products sold in Singapore had, at least, a tag and/or label with the words "BLUE STAR" in similar lettering as the RTM and the star device.

43 After I had dismissed the application on 26 June 2003, Mr Wong requested an opportunity to present further arguments on the basis that I had not considered another provision in the Trade Marks Act ie s 17 regarding the registration of a series of trade marks and, in particular, s 17(2) which had a definition of a "series of trade marks". Mr Wong's point was that since there was a mechanism to apply to register a series of trade marks under s 17, then s 22(2) regarding some latitude for variants must be considered more narrowly ie narrower than s 17. If the variants would not have been registered as a series of marks, then, a fortiori, they should be considered as differing in elements which altered the distinctive character of the RTM.

44 As s 17 was not raised in the earlier hearing before me by Mr Wong, I acceded to his request for further arguments. However, by the next hearing date for further arguments, Mr Gill had drawn attention, in his written submission, to the case of *ELLE Trade Marks* [1997] FSR 529. In that case, Lloyd J said that he did not think it necessary to consider the UK equivalent of our s 17 (on a series of trade marks) when considering whether the use of a mark was in a form which altered the distinctive character of the mark in question. In other words, it was not necessary to consider the equivalent of our s 17(2) when considering the equivalent of our s 22(2). Indeed Lloyd J referred to such an exercise as perhaps being a red herring (see p 532 and 533 of the law report).

45 On the other hand, Mr Wong referred to *Re Logica Trade Mark* (5 March 2003, unreported) in which the Appointed Person, Professor Ruth Annand, said that while Lloyd J had cautioned against construing the equivalent of our s 22(2) (which was derived from Council Directive 89/104/EEC) in the light of the equivalent of our s 17(2) which was home-grown, the reverse was not necessarily true. Accordingly, Professor Annand found it useful in determining the boundaries of the equivalent of our s 17(2) on series marks to consider also the equivalent of our s 22(2).

46 However, ultimately, Mr Wong proceeded with his further arguments on the basis that the test under s 22(2) was no different from that under s 17(2).

47 In any event, the Respondents had in fact managed to obtain registration of a series of marks with the words "BLUE STAR" and the star device. I have alluded to this in para 11 above. In the series, the star device is located in different locations ie above, below, on the left or on the right of the words, although I should mention that the star device in each of the series was smaller than the one in the RTM and all the star devices in the series were of the same size as the words.

48 After further arguments, I maintained my earlier decision.

Was there a genuine use of the RTM in the course of trade in Singapore

49 Mr Wong's second argument during the earlier hearing before me was that the Respondents had not put the RTM to genuine use in the course of trade in Singapore. As regards this point, Mr Wong accepted that there was a bona fide business in the sale of the Respondents' products in Singapore but he submitted that the use of variants of the RTM was not genuine because they were used randomly. By this he meant that the Respondents had allowed the use with no particular focus.

50 I was of the view that while it could be said that the Respondents lacked focus in developing the value of the RTM, this did not mean that the use was non-genuine.

51 There was, however, one other matter under this argument and that related to the question

whether swimwear bearing a label with the words "BLUE STAR" above a smaller star device constituted a user in Singapore. According to the Respondents, such swimwear were imported into Singapore and then re-exported to Brunei for sale.

52 On this point, Mr Gill relied on s 27(1) and (4)(c) of the Act which state:

> 27.(1) A person infringes a registered trade mark if, without the consent of the proprietor of the trade mark, he uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.
>
> (4) For the purposes of this section, sections 28 and 29, a person uses a sign if, in particular, he -
>
> (a) …
>
> (b) …
>
> (c) imports or exports goods under the sign

53 Mr Gill also relied on Kerly's Law of Trade Marks and Trade Names, Thirteenth Edition, at p 281, which opined that although (the UK equivalent of our) s 27(4) was expressed to be for the purposes of s 27 (only), the types of use set out therein are equally applicable when considering the question of use under (the UK equivalent of our) s 22. Mr Wong did not contest this submission.

Whether there should be partial revocation

54 Mr Wong's last argument was that there should, in any event, be partial revocation under s 22(7) of the Act which I set out below:

> (7) Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation shall relate to those goods or services only.

55 However, Mr Gill submitted that it was not open to Mr Wong to seek partial revocation because that part of the remaining prayer on which Mr Wong proceeded ie relying on s 22(1)(a) on the ground "that the mark has not been put to genuine use in the course of trade in Singapore in relation to some or all of the goods for which it is registered", did not mention partial revocation. However, there was a reference therein to "some or all" of the goods. I was of the view that the Applicant was not precluded from attempting to rely on s 22(7) which could also be said to be ancillary to an attack under s 22(1)(a) although it would have been preferable if the application had specifically identified partial revocation as an alternative relief sought and the extent of such a relief.

56 On the question of partial revocation, Mr Wong argued that even if the RTM had been put to genuine use in Singapore, this would apply at most to socks, briefs, singlets, T-shirts and swimwear. Therefore, there was no need for the existing registration to be so wide as to apply to all "men's undergarments", "men's sports clothing" and "knitwear" which were at present included in the registration.

57 Mr Wong relied on *Decon Laboratories Ltd v Fred Baker Scientific Ltd* [2001] RPC 17. In that case, the claimant had commenced an action for infringement of its registered trade marks by the defendant who counterclaimed for partial revocation of the registered marks. The particular trade marks there were not relevant to the application before me as Mr Wong was relying on that part of

the judgment of Pumfrey J at paras 21 to 24 where he said:

> 21 The construction of section 46(5) [which is the UK equivalent of our s 22(7)] is not straightforward, and these provisions have been the subject of observations by Neuberger J., Laddie J. and Jacob J. in, respectively, *Premier Brands U.K. Limited v Typhoon Europe Ltd* (unreported, January 21, 2000) *Mercury Communications Ltd v. Mercury Interactive (U.K.) Ltd* [1995] F.S.R. 850 and *MINERVA Trade Mark* [2000] F.S.R. 734. In the *Mercury* case, Laddie J. was concerned with the mark Mercury registered in respect of (*inter alia*) computers, electronic instruments for processing data and computer programs in class 9". This enormously wide specification of goods covered not only computer software of use in the claimant's business of telecommunications, but, as Laddie J. put it, games software, accounting software, software for designing genealogical tables, software used in the medical diagnostic field, software used for controlling computers in satellites and software used in computers used in running the London Underground system. Laddie J. took the view that what defined software was the function it performed, and that the functions performed by computer software in general were so multifarious that the registration was in danger of attack on the ground of non-use. The case being an application for summary judgment, it was not necessary for Laddie J. to decide the question and he did not do so. In the *Premier Brands ("Typhoon")* case, Neuberger J. said in relation to a specification of goods that, when applying section 46(5) one:
>
> > "simply looks at the list of items on the register, and asks oneself in relation to each such item, whether or not the mark has been used 'in relation to' or 'in connection with' that item during the past five years. If the answer is in the affirmative then the mark can remain registered in respect of that item; if the answer is in the negative then, subject to any question of discretion, the registration is revoked in respect of that item. One does not dig deeper and, as it were, narrow a particular category of items to reflect the goods for which the mark has been used".
>
> In the *MINERVA* case, Jacob J. did not accept this view of the section. The difficulty with Neuberger J's formulation is that while apt to deal with the case before him, it did not deal in terms with huge classes of goods described by single phrases like "computer software" or "cleaning substances and preparations". I must therefore differ with respect from Neuberger J. and agree with what Jacob J. said in *MINERVA Trade Mark*. At times, it is inevitable that one is obliged to dig deeper.
>
> 22 The problem which is raised in an acute form in this case is how much deeper it is right to dig. It is not possible to draw a list of goods in respect of which the mark has not been used, and it seems to me that the question is the more general one: how should the specification of goods be narrowed to reflect the non-use? ….
>
> 23 In my judgment, the task is best performed by asking what would be a fair specification of goods having regard to the use that the proprietor has in fact made of the mark and assuming further that he will continue that use. Mr Campbell submitted that the specification of goods should in effect be drafted from scratch to encompass only the use which the registered proprietor has made of the mark. I accept that the starting point should be a limitation to the actual field of use. The difficulty lies in deciding on the width of the surviving specification, the correct formulation of which must depend largely upon questions of fact and degree. Let me take an example to which Neuberger J. refers in *Typhoon*. There, the registration was (*inter alia*) for "domestic containers". Suppose the proprietor uses the mark only on red tea caddies. How does one limit the registration? Obviously the use of the colour red is irrelevant, since it does not define a species of goods. But should the registration be limited to tea caddies? Neuberger J.

thought not, since, as he put it, one should take the registration as one finds it, and it is not possible to distinguish between containers for food, containers for tea, and tea caddies. He added that he considered that to permit this kind of detailed approach to a registration leads to uncertainty and invites litigation. So he considered that the registration should remain in respect of domestic containers. I would agree wholeheartedly with this statement of the problem, but the answer must, I believe, depend upon the facts of the case.

24 I think that the correct starting point as a matter of principle consists of the list of articles for which the proprietor has in fact used the mark. In arriving at a firm specification having regard to the proprietor's use, it is also necessary to remember that the effect of section 10(2) [which deals with infringement of a registered trade mark] (and of 10(3), in limited circumstances) is to give the proprietor protection outside his specification of goods but in areas where he can demonstrate a likelihood of deception in the wide sense, that is, deception as to trade origin leading to association among the relevant public. There is no pressing need, therefore, to confer on the proprietor of a wider protection than his use warrants by unduly broadening the specification of goods. There is a balance to be held between the proprietor, other traders and the public having regard to the use which has in fact taken place.

58 On the facts in *Decon*, partial revocation was ordered. Pumfrey J's judgment was cited with approval by Lord Justice Aldous in *Thomson Holidays Limited v Norwegian Cruise Line Limited* (unreported). Lord Justice Aldous said:

29. I have no doubt that Pumbrey J was correct to reject the approach advocated in the *Premier Brands* case. His reasoning in paragraphs 22 and 24 of his judgment is correct. Because of section 10(2) fairness to the proprietor does not require a wide specification of goods or services nor the incentive to apply for a general description of goods and services. As Mr Bloch pointed out to continue to allow a wide specification can impinge unfairly upon the rights of the public. Take for instance a registration for "motor vehicles" only used by the proprietor for motor cars. The registration would provide a right against a user of the trade mark for motor bikes under section 10(1). That might be understandable having regard to the similarity of goods. However the vice of allowing such a wide specification becomes apparent when it is envisaged that the proprietor seeks to enforce his trade mark against use in relation to pedal cycles. His chances of success under section 10(2) would be considerably increased if the specification of goods included both motor cars and motor bicycles. That would be unfair when the only use was in relation to motor cars. In my view the court is required in the words of Jacob J to "dig deeper". But the crucial questions is - how deep?

30. Pumfrey J was, I believe, correct that the starting point must be for the court to find as a fact what use has been made of the trade mark. The next task is to decide how the goods or services should be described. For example, if the trade mark has only been used in relation to a specific variety of apples, say Cox's Orange Pippins, should the registration be for fruit, apples, eating apples, or Cox's Orange Pippins?

31. Pumfrey J in *Decon* suggested that the court's task was to arrive at a fair specification of goods having regard to the use made. I agree, but the court still has the difficult task of deciding what is fair. In my view that task should be carried out so as to limit the specification so that it reflects the circumstances of the particular trade and the way that the public would perceive the use. The court, when deciding whether there is confusion under section 10(2), adopts the attitude of the average reasonably informed customer of the products. If the test of infringement is to be applied by the court having adopted the attitude of such a person, then I believe it appropriate that the court should do the same when deciding what is the fair way to

describe the use that a proprietor has made of his mark. Thus the court should inform itself of the nature of trade and then decide how the notional consumer would describe such use.

In *Thompson Holidays*, partial revocation was also ordered.

59 However, the illustrations given in *Decon* and in *Thompson Holidays* demonstrated that the court's approach towards partial revocation should not be as strict or narrow against the registered proprietor as Mr Wong was advocating. For example, he suggested that "men's sports clothing" should be revoked and replaced by "men's T-shirts". Mr Wong's point was that if the classification was narrowed, it would allow the Applicant to use its mark for, say, shorts and trousers although not for briefs. Yet, in *Thompson Holidays*, Aldous LJ had said that a registration for motor vehicles would extend to motor bikes even though the proprietor of the registered trade mark had used it for motor cars only. In my view, the Respondents' classification, as it was, was not unduly wide. For example, when the Applicant had sought registration of its own mark under class 25, it had also used general words like "clothing", "underclothing", "headgear".

60 Having taken into account that the Respondents had used the RTM for various kinds of clothing which could also be described as knitwear, I was of the view that it was not in the interest of the public or the trade to try and narrow the description of the clothing in the Respondents' classification further to those specific categories for which the RTM was in fact used. To do so would result in confusion and invite litigation.

61 In the circumstances, it was not necessary for me to decide when the effective date of any revocation should be under s 27(8) of the Act.

The conduct of the parties

62 The conduct of the parties was irrelevant to the issues before me. However, as Mr Wong had spent some time to portray the Respondents in a negative light, I would say something about his submission on their conduct.

63 Mr Wong said that the first search warrant was obtained (on 27 February 2001) even though the solicitors of the respective parties were corresponding with each other. However, upon perusal of the correspondence, I noticed that the Applicant's then solicitors had said in their letter dated 6 February 2001 that they would give a response within two weeks ie by 20 February 2001. They did not. In such a circumstance, I did not think it unreasonable for the Respondents to take such steps as they thought fit without further warning.

64 As regards the second search warrant (obtained on 8 October 2001), Mr Wong submitted that there had been negotiations between the parties and so the Respondents should not have gone ahead to obtain that search warrant. However, the negotiations had not yielded any agreement between the parties and there was no promise by the Respondents to withhold all steps whilst the Applicant continued to sell the allegedly infringing products.

65 I now turn to Mr Gill's submission that Giordano International had taken a calculated risk in deciding to set up the Applicant company with a $2 paid up capital and selling its products in Singapore notwithstanding the knowledge of the existence of the RTM. It seemed to me that this submission had some force.

66 In the light of the pending charges which have yet to be heard, I would add that my observations about the conduct of the parties is based on the evidence before me and without the

benefit of cross-examination. Such observations are not intended to bind the court hearing the charges.

Summary

67 In the circumstances, the application was dismissed.

Application dismissed.

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