Nike International Ltd and Another v Campomar Sociedad Limitada
[2005] SGHC 139

Case Number : OM 25/2004, 26/2004

Decision Date : 05 August 2005

Tribunal/Court : High Court

Coram : Tay Yong Kwang J

Counsel Name(s) : Christopher Woo and Clarence Lee (Harry Elias Partnership) for the appellants in OM 25/2004 and the respondent in OM 26/2004; Patrick Yap (K L Tan and Associates) for the appellant in OM 26/2004 and the respondent in OM 25/2004

Parties : Nike International Ltd; Nike Singapore Pte Ltd — Campomar Sociedad Limitada

Res Judicata – Application opposing registration of trade mark dismissed subject to condition that mark specification amended – Application to appeal out of time against decision dismissed – Whether fresh proceedings to oppose registration of amended mark precluded by operation of res judicata

Trade Marks and Trade Names – Revocation – Application to revoke registration of trade mark on ground of non-use – Whether burden of showing use of mark on balance of probabilities discharged by respondent – Whether use of mark on promotional materials amounting to genuine use of mark – Whether import and export of goods as part of entrepot trade amounting to genuine use of mark – Sections 22, 105 Trade Marks Act (Cap 332, 1999 Rev Ed)

5 August 2005

Tay Yong Kwang J:

Originating Motion No 25 of 2004 ("OM 25")

1 In OM 25, the first appellant ("Nike International"), a US company, is a wholly owned subsidiary of Nike Inc. Both Nike International and Nike Inc have been marketing and retailing shoes and apparel under the "NIKE" trademark and brand name worldwide since 1972. The second appellant ("Nike Singapore") is the exclusive licensee of the first appellant in Singapore. I shall refer to the two appellants collectively as "the Nike companies". The respondent is a Spanish company, Campomar Sociedad Limitada ("Campomar").

2 On 21 August 1992, Campomar applied to register "NIKE" in class 3 of the International Classification of Goods in respect of:

> Bleaching preparations, and other substances for laundry use, cleaning, polishing, scouring and abrasive preparations; soaps.

The specification was subsequently amended to:

> Bleaching preparations and substances, all for laundry use; cleaning, polishing, scouring and abrasive preparations; soaps; all included in Class 3.

3 On 10 October 1997, Campomar's application was advertised before acceptance under the proviso to s 18 of the Trade Marks Act (Cap 332, 1992 Rev Ed) ("the TMA 1992"), which was the applicable law then as the said application was filed in 1992. Nike International then commenced opposition proceedings ("the first opposition") against the application. The first opposition was heard in April and July 2001 by Assistant Registrar of Trade Marks Chua Ser Ching ("AR Chua").

4 In her grounds of decision dated 16 July 2001, AR Chua did not allow the opposition and she directed that the specification in Campomar's application be amended within four weeks to that spelt out below, failing which the application would be refused:

> Bleaching, cleaning, polishing, scouring and abrasive preparations; soaps; all not for laundry use nor for use on sport goods or sporting apparel; all included in Class 3.

According to counsel for both parties, the amendment directed by AR Chua was not canvassed in the arguments before her. Apparently, at the hearing before her, AR Chua suggested the restriction without spelling it out explicitly. It was when her grounds of decision were released that the parties learnt of the precise amendment. Campomar duly restricted the specification by lodging Form TM27 to amend the same on 24 July 2001. However, AR Chua made no direction as to re-advertisement of the amended application.

5 On 24 August 2001, Nike International wrote to AR Chua drawing her attention to the proviso in s 18 of the TMA 1992 which provided that where an application had been advertised, the Registrar (of Trade Marks) may, if she thought fit, advertise it again when it had been accepted but shall not be bound to do so. That same day, AR Chua replied, stating that the amendment of the specification would be published pursuant to r 23 of the Trade Marks Rules (Cap 332, 2000 Rev Ed), which read:

> 23 Where an application is made for an amendment of an application for registration which has been published, and the amendment affects the representation of the trade mark or the goods or services covered by the application for registration, the amendment or a statement of the effect of the amendment shall also be published.

6 Concurrently, Nike International filed an originating motion in the High Court seeking leave of court to appeal out of time against AR Chua's decision of 16 July 2001. That was heard on 31 August 2001 before Kan Ting Chiu J. Campomar's written submissions at that hearing contained the following statements:

> Finally as the Registrar has indicated that the mark is to be advertised with the restricted specification, technically the Applicant can once again oppose the same and can have a second bite of the cherry. Even if this Honourable Court does not grant the Applicant's application, the Applicant can once again commence opposition proceedings. There is therefore no prejudice to them.

Nike International submitted that Campomar was thereby representing to the court and itself that it could rightfully oppose the re-advertised application. As a consequence of those submissions, Nike International informed the court that its application for leave to appeal out of time would be withdrawn if Campomar confirmed that it would not raise objections based on issue estoppel or *res judicata* in the next opposition proceedings in the Intellectual Property Office of Singapore ("IPOS"). When asked by the judge whether he would waive the issue of *res judicata* in the next opposition proceedings, counsel for Campomar replied that Campomar's right to raise that issue was reserved. Thereafter, the hearing of the application for leave to appeal out of time proceeded and the judge dismissed it.

7 Nike International next wrote a rather lengthy letter dated 11 October 2001 to IPOS arguing that the mark should be open to opposition upon its second advertisement. It included in its arguments Campomar's written submissions to the court at [6] above and stated that it was understood between the parties that Nike International would be entitled to oppose the registration of the mark upon re-advertisement. A copy of this letter was sent to the solicitors for Campomar who

did not object or refute this statement. IPOS replied stating that it would exercise its discretion under the proviso to s 18 of the TMA 1992 to advertise again the mark with its amended specification.

8 Campomar's application with the amended specification was re-advertised on 30 November 2001 in Trade Marks Journal No 146. On 25 January 2002, the Nike companies lodged a notice of opposition against the re-advertised mark. A counter statement was then filed by Campomar denying the grounds mentioned in the notice of opposition.

9 The opposition hearing ("the second opposition") took place in January 2004 before Principal Assistant Registrar of Trade Marks Anne Loo ("PAR Anne Loo"). At that hearing, Campomar raised objections relating to issue estoppel and *res judicata*. PAR Anne Loo considered the arguments of the parties and concluded that the doctrine of *res judicata* applied and that she therefore had no jurisdiction to revisit the issues already decided by AR Chua. She was of the opinion that revisiting the issues in the second opposition was tantamount to her sitting on appeal against AR Chua's decision in the first opposition, which had been made after hearing the evidence relating to the grounds of opposition, and that appellate jurisdiction, she rightly pointed out, belonged to the High Court, as set out in s 19(5) of the TMA 1992 which stated that the decision of the Registrar shall be subject to an appeal to the court.

10 PAR Anne Loo relied on *Reebok International Ltd v Royal Corp* [1988] SLR 921 ("*Reebok International Ltd*") at 926, [13], where Chao Hick Tin JC (now a Judge of Appeal), after considering the principles relating to *res judicata* and issue estoppel, said:

> Three essential conditions must therefore be present before this plea can be successfully raised. First, there must have been a final judgment or decision; second, there must be an identity of subject matter or issue in the former and in the present litigation; and third, there must be identity of parties.

She was of the view that AR Chua, in disallowing the first opposition, did dispose of the rights of the parties in respect of proprietorship of the mark "NIKE" and that AR Chua's decision was therefore a final order and not an interlocutory one. She also found that there was identity of issues as "the reality of the matter is that both oppositions will proceed on the same grounds of opposition" (for instance, the likelihood of confusion and deception) and held that the TMA 1992 did not draw a distinction between oppositions against unaccepted marks and accepted ones. Nike Singapore, being a wholly owned subsidiary of Nike International, being the sole distributor of NIKE products here and having been granted a licence to use the NIKE trademark, was joined as a party in the second opposition as it operated the Singapore arm of the business and was the repository of all the evidence of use of the mark within this jurisdiction. She therefore was not able to conclude that the parties were not identical in both opposition proceedings.

11 PAR Anne Loo explained that the proviso to s 18 of the TMA 1992 empowered the Registrar of Trade Marks to re-advertise an application after acceptance but, in practice, that power was not often exercised. She also explained that the practice of the Registry of Trade Marks, regarding applications that have been advertised and were then subsequently amended, was to re-advertise the mark with the amendments made, under the said r 23 of the Trade Marks Rules.

12 Since PAR Anne Loo decided that she could not hear the second opposition, the Nike companies appealed to the High Court. Before me, the Nike companies submitted that *res judicata* did not apply in the circumstances of this case and that Campomar was estopped from relying on that doctrine in any case in the light of its conduct and representations after the first opposition.

Originating Motion No 26 of 2004 ("OM 26")

13 OM 26 involved an application by Nike International to revoke trade mark registration number T86/01301A for the mark "NIKE" in class 3 in respect of "perfumery with essential oils" registered in the name of Campomar. The trade mark was registered on 30 December 1989 with the registration taking effect from 2 April 1986. The mark was registered as a word mark in block capital letters for which protection was granted in all fonts.

14 On 21 January 2002, Nike International filed its application for revocation pursuant to s 22(1) of the Trade Marks Act (Cap 332, 1999 Rev Ed) ("the TMA 1999") which is in the following terms:

> **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;
>
> (*b*) that such use has been suspended for an uninterrupted period of 5 years, and there are no proper reasons for non-use;
>
> (*c*) …
>
> (*d*) that, in consequence of the use made of it by the proprietor or with his consent in relation to the goods or services for which it is registered, it is liable to mislead the public, particularly as to the nature, quality or geographical origin of those goods or services.

In its Statement of Grounds, Nike International declared that it wanted to register Singapore Trade Mark No T01/17954H NIKE in class 3 in respect of:

> Bleaching preparations and other substances for laundry use; cleaning; polishing, scouring and abrasive preparations; soaps; perfumery; essential oils; cosmetics; hair lotions; dentifrices; colognes; toiletries; sunscreens; cosmetics; skincare products; deodorants and antiperspirants for personal use; shaving preparations.

15 Campomar filed a counter-statement denying the grounds and averring that the mark had been used in Singapore during the five years preceding the revocation application. The relevant non-use period was therefore the period beginning on 21 January 1997 and ending on 21 January 2002.

16 Campomar filed three statutory declarations by Antonio Ruiz Corrales ("Corrales"), its principal manager. In the first statutory declaration, Campomar stated that it had used the trade mark during the preceding five years. Random copies of sales invoices with dates ranging from the years 1996 to 2001 were enclosed. In the second statutory declaration, Corrales referred to an invoice dated 27 July 2001 annexed to the first statutory declaration and clarified that the letters "NM", "NW" and "NC" used in relation to the products mentioned in that invoice stood for "NIKE MAN", "NIKE WOMAN" and "NIKE" respectively. In the third statutory declaration, he included a bill of lading from De Ruy Perfumes SA to Bhojwani's Pte Ltd to show that products bearing the NIKE mark had been shipped to Singapore.

17 Nike International filed statutory declarations by the following persons:

(a) Wilfred D Anthony, a private investigator;

(b) Liesje Lee Hughes, the finance director of Nike Singapore;

(c) Uday P Deshpande, the regional finance director of Nike International for South East Asia;

(d) Yeem Yew Wah, the regional product delivery manager of Nike Singapore.

18 The first of these statutory declarations stated that the private investigator could find no NIKE perfumes being sold in ten of the major shopping centres in Singapore in November 2001. He also found that Bhojwani's Pte Ltd did not sell any perfumes in Singapore and that it sold perfumes in Indonesia only. A female employee at Bhojwani's Pte Ltd had informed him that they did not deal in NIKE perfumes.

19 The second statutory declaration gave the history of Nike Inc and Nike International and related the goodwill and reputation gained by the Nike group worldwide. It stated that the NIKE mark was used here on perfume products in May 1996 but that such use ceased since 5 November 1996. It reported that the results of a survey by AC Nielsen in August 2001 showed that at least 55% of the persons polled identified perfume carrying the NIKE mark as being that of Nike International and that the public was likely to associate Nike International with personal care products. It also stated that there was a stronger likelihood of confusion if the NIKE trademark was used on perfume products because other major sports brands sold fragrances and perfumes too.

20 The third statutory declaration exhibited a letter dated 6 November 1996 from the solicitors of Galaxy Enterprises Pte Ltd, the last known distributor of NIKE perfume products in Singapore, confirming that the sale of such products here ceased on 5 November 1996. Nike International accepted that Galaxy Enterprises Pte Ltd did sell perfume bearing the NIKE trademark in Singapore up to that date.

21 The final statutory declaration explained that the term "EXW", which appeared under the words "TRANSPORT CONDITIONS" in the invoice of 27 July 2001 from De Ruy Perfumes SA to Bhojwani's Pte Ltd, stood for "Ex Works", a shipping term that meant the seller would make his goods available to the buyer at the seller's premises, factory or warehouse. As the invoice showed that the seller's premises were in Malaga, Spain, that would mean that the buyer was to collect the goods from Malaga, Spain, and that the goods were not shipped into Singapore.

22 Before PAR Anne Loo, who heard the revocation application one day before she heard the second opposition mentioned in OM 25, the parties agreed that the evidence relating to Galaxy Enterprises Pte Ltd was outside the five-year period (21 January 1997 to 21 January 2002) in question and was therefore irrelevant. She stated that it appeared during the hearing that only the "non-use" ground in ss 22(1)(*a*) and 22(1)(*b*) was being pursued although the application for revocation stated that it was based on s 22(1)(*d*) as well. The arguments by the parties centred on whether there was genuine use within the meaning of that section and no submissions were made on the question whether there were proper reasons for non-use.

23 PAR Anne Loo invoked s 105 of the TMA 1999 which states:

> If in any civil proceedings under this Act a question arises as to the use to which a registered trade mark has been put, it is for the proprietor to show what use has been made of it.

She held that the effect of this provision was that once the application for revocation on the ground of non-use was made, the burden was on the proprietor (Campomar) to prove how and the extent to which his mark had been used.

24 In considering the question whether there was "genuine use", she referred to s 22(2) of the TMA 1999 which provides:

> 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.

Following case law, she held that genuine use of a mark was determined by considering whether the transaction in issue was an artificial one or whether the use could be described as colourable, pretended or a mere token, done with the ulterior motive of validating the registration.

Campomar's counter-statement of 21 March 2001 claimed that Nike Cosmetics SA and De Ruy Perfumes SA were associated companies of Campomar. In its first statutory declaration, Campomar repeated this statement and stated that the invoices in question were issued by Nike Cosmetics SA and De Ruy Perfumes SA as Campomar's distributors. There was no further elaboration on how the companies were associated. However, the Nike companies had acknowledged that Galaxy Enterprises Pte Ltd was the last known exclusive distributor of Campomar's perfume products here and one of the invoices and a bill of lading showed that Galaxy Enterprises Pte Ltd had purchased perfume products from Nike Cosmetics SA. For this reason, PAR Anne Loo accepted the evidence lodged by De Ruy Perfumes SA as constituting use by Campomar of the mark.

25 Only one three-page invoice dated 27 July 2001 from the export department of De Ruy Perfumes SA to Bhojwani's Pte Ltd appeared to be relevant to the question of whether there was genuine use. That invoice was addressed to Bhojwani's Pte Ltd at #02-07 Tan Boon Liat Building 315 Outram Road Singapore 169074. The freight forwarder of the goods in the invoice was said to be Geodis Teisa, which forwarded the goods by sea. Eighteen different products were listed on the first page, with ten of them listed under a heading "FREE GOODS", but a zero value was ascribed to them, hence indicating that they were all given and not sold to Bhojwani's Pte Ltd. The only mention of the mark "NIKE" appeared on this page under the same heading in the form of "Nike Woman EdP N/S 7.5 ml". However, there was no unit price and not even a zero dollar value was ascribed to it. There was also no indication as to the number of cases and units for this item in the other columns of the invoice. This caused some doubt in PAR Anne Loo's mind as to whether this item was intended to form part of the consignment of goods and whether it was actually shipped to Singapore.

26 The upper portion of the second page of the invoice contained thirteen different products with each product's quantity, price and value stated. Eight of these were described as NC EdT N/S 100ml, NC EdT N/S 50ml, NW EdP N/S 100ml, NW EdP N/S 50ml, NW EdP N/S 25ml, NM EdT N/S 100ml, NM EdT N/S 50ml and NM EdT N/S 25ml. There was no legend in the invoice to indicate what these initials meant. The mark "NIKE" was not mentioned at all.

27 The lower portion of the second page had nine other products listed under the heading "PROMOTIONAL MATERIAL" and these products had a zero value ascribed to them. They were described as tester, shopping paper bag, showcard and brochure, all prefixed with either "NC", "NW" or "NM".

28 While Campomar sought to rely on this invoice as evidence of genuine use of the mark on

goods here, PAR Anne Loo felt that this evidence was lacking in that there was no explanation of what "NM", "NW", "NC", "EdT", "EdP" and "N/S" meant. The only explanation from Corrales was that "NM" was "NIKE MAN", "NW" was "NIKE WOMAN" and "NC" was "NIKE" itself and that these unabridged descriptions appeared on the respective products. However, he did not produce other corroborative evidence on this assertion. PAR Anne Loo was of the view that Campomar had ample opportunity to produce such corroborative evidence by, for instance, exhibiting any of the numerous promotional materials listed in the invoice. She noted that there was only a lapse of seven months between the purported date of shipment of the goods in August 2001 and the date the invoice was included in the counterstatement filed in March 2002 and those materials should have been available then. In any case, she said, promotional materials and product literature were things that Campomar should have readily available. While accepting that promotional materials could constitute use of a mark (as in *REVUE Trade Mark* [1979] RPC 27), she felt it was unclear from the invoice what mark appeared on the promotional materials listed therein.

29 She then proceeded to study the bill of lading attached to Campomar's third statutory declaration which purported to show that the products in the invoice were actually shipped to Bhojwani's Pte Ltd in Singapore from De Ruy Perfumes SA. She noted that the only nexus between the two documents was the gross weight of the products, stated to be 1.005kg, and held that that sole link was insufficient for her to conclude that the products in the invoice were the same as those shipped here under the bill of lading. In any case, she was not convinced that the initials "NM", "NW" and "NC" related to the mark, as stated by Corrales.

30 She noted that the private investigator had reported that a female employee of Bhojwani's Pte Ltd had informed him in a conversation that the goods were not sold here but in Indonesia. PAR Anne Loo regarded Campomar's argument that Bhojwani's Pte Ltd was a wholesaler which exported goods out of Singapore to be a bare assertion only. There was no evidence from Bhojwani's Pte Ltd on the nature of its business or confirming that it had received the goods in question for sale or export. She concluded thus:

> Instead, I am faced with insufficient evidence to decide whether the invoice related to the use of NIKE and whether there was sale of perfumery with essential oils with the NIKE mark within Singapore within the relevant period. I find that [Campomar] has not discharged the onus of showing that [its] mark has been put to genuine use in the course of trade in Singapore in relation to the goods for which it is registered. As the matter proceeded on the premise that there was genuine use by [Campomar], no submissions were made on whether there were proper reasons for non-use.

31 Accordingly, she granted Nike International's application to revoke Campomar's mark and, in accordance with s 22(8)(a) of the TMA 1999, declared that Campomar's rights were deemed to have ceased from the date of the application for revocation. She also ordered Campomar to pay the costs of the application proceedings.

32 Campomar then appealed to the High Court.

Further evidence on appeal

33 In October 2004, Campomar obtained leave of court from Andrew Ang JC (as he then was) to file a further affidavit by Corrales exhibiting a 2001 price list. According to counsel for Campomar, there was a 2004 price list which Campomar wanted to tender but that was disallowed by the judge because it was outside the relevant five-year period. Corrales was to be cross-examined on such further affidavit and Nike International was given leave to file an affidavit in reply. Campomar was

ordered to pay costs of $3,000 for that application.

34 In his Affidavit of 29 November 2004, Corrales said:

> 4 In support of paragraphs 3 and 4 of my Statutory Declaration declared on 26 September 2003, I now annex as exhibit "A" the 2001 Price List of DE RUY PERFUMES, S.A. (the associated company of the Proprietor), which was not available earlier as it was an old price list kept in a file at one of the warehouses of another company of the DE RUY Group, NIKE COSMETICS, S.A., in the city of Antequera (Málaga, Spain), where in the third quarter of 2001 files of the Proprietor and DE RUY PERFUMES, S.A. (the other two companies of the DE RUY Group) were stored.
>
> 5 In or about September 2001, the Proprietor (which is the head company of the DE RUY Group) sold its premises in the city of Ceuta (Spain), Muelle de Poniente, s/n, to a third party, and moved its offices to other premises in the same city of Ceuta, Avda. De Espãna, no.9. Part of the files of the Proprietor kept until then in the premises of the Proprietor at Muelle de Poniente, s/n were sent to Antequera, to the warehouses of NIKE COSMETICS, S.A. for storage. At that time, DE RUY PERFUMES, S.A. (which has an office but not a warehouse in Seville) also sent some of their files for storage to NIKE COSMETICS, S.A. in Antequera. Only recently those files belonging to the Proprietor and from DE RUY PERFUMES, S.A. have been organized at the Antequera premises, and this is the reason why only recently the 2001 Price List has been retrieved. I annex, as Exhibit "B", a copy of the deed of sale of the premises in Ceuta, Muelle de Poniente, s/n by the Proprietor.
>
> 6 I also annex as exhibit "C" the invoice dated 12 July 2001 from De Ruy Perfumes S A to Bhojwani's Pte Ltd ("the Bhojwani invoice").
>
> 7 On page 1 of the Bhojwani invoice under the caption "Free Goods", the following items correspond to and are found in the 2001 Price List:
>
> (a) NW EdP N/S Merchandiser Tin 7.5 ml;
>
> (b) Nike Woman EdP N/S 7.5 ml.
>
> 8 On page 2 of the Bhojwani invoice under the caption "Products", the following items correspond to and are found in the 2001 Price List:
>
> (a) NC EdT N/S 100 ml;
>
> (b) NC EdT N/S 50 ml;
>
> (c) NW EdP N/S 100 ml;
>
> (d) NW EdP N/S 50 ml;
>
> (e) NW EdP N/S 25 ml;
>
> (f) NM EdT N/S 100 ml;
>
> (g) NM EdT N/S 50 ml;
>
> (h) NM EdT N/S 25 ml.

The "Proprietor" referred to in this affidavit was Campomar. The date of the Bhojwani invoice should be 27 July 2001 and not 12 July 2001 as indicated.

35 Nike International elected not to file any affidavit in reply.

36 At the hearing before me, an original price list for 2001 was tendered by Campomar. Counsel for Nike International indicated that he wished to cross-examine Corrales on the new affidavit sworn by him as well as on all his previous statutory declarations as they were extremely bare. I pointed out to him that the order of Andrew Ang JC confined any cross-examination to the new affidavit and opined that any cross-examination beyond that would result in me rehearing the entire revocation application. After taking some time to reconsider the matter in the light of what I said, he returned to say that he was prepared to argue the appeal without cross-examination of Corrales.

The decision of the court

OM 25

37 Sections 18 and 19(1) of the TMA 1992 provided:

> **Advertisement of application**
>
> **18.** When an application for registration of a trade mark has been accepted, whether absolutely or subject to conditions or limitations, the Registrar shall as soon as possible after its acceptance cause the application as accepted to be advertised in the prescribed manner. The advertisement shall set forth all conditions and limitations subject to which the application has been accepted.
>
> Provided that the Registrar may cause an application for registration of a trade mark to be advertised before acceptance if it is made under section 10(1)(*e*) or in any other case where it appears to him that it is expedient by reason of any exceptional circumstances to do so, and where an application has been so advertised the Registrar may, if he thinks fit, advertise it again when it has been accepted but shall not be bound to do so.
>
> **Opposition to registration**
>
> **19.—**(1) Any person may, within the prescribed time from the date of the advertisement of an application for the registration of a trade mark, give notice to the Registrar of opposition to the registration.

38 Counsel for the Nike companies accepted the pronouncement on the doctrine of *res judicata* in *Reebok International Ltd.* In addition, he cited *Chia Ah Sng v Hong Leong Finance Limited* [2001] 1 SLR 591where GP Selvam J held at [20] that the said doctrine applied where a judgment had been regularly entered on a thing or matter after final adjudication on its merits by a tribunal of final result having competent jurisdiction of the subject matter of the litigation. The judge went on to say that "[i]n a hierarchical court system final decision is one from which no appeal lies". It was also submitted that AR Chua was correct in directing re-advertisement because the amended application was substantially different from the original one. Given the substantial amendments to the specification, he argued, the Registrar in the second opposition would have to determine whether the application as amended should be accepted for registration as there was no ruling or finding on the final rights of the parties.

39 I disagreed with this contention. AR Chua considered all the arguments of both parties and reached the conclusion that the specification should be amended in the way directed by her. Obviously, she believed that the said amendment would take care of the objections of Nike International. The negative phraseology used by her – "failing which the application shall be refused" – meant merely that she would accept the application despite the objections if it were amended in the way directed. There was therefore a pronouncement or adjudication on the respective rights of the parties in the first opposition. If PAR Anne Loo had heard the second opposition, even if she were not virtually sitting on appeal, she would at least have revisited and reviewed the issues heard by AR Chua.

40 The concept of finality in the context of *res judicata* relates to whether the decision is under appeal or review and not whether it is final or interlocutory in the sense in which "interlocutory" is used in s 34(1)(*c*) of the Supreme Court of Judicature Act (Cap 322, 1999 Rev Ed). Where an appeal lies against a decision but the right is not invoked by the party entitled to that right, that decision is still final for the purposes of *res judicata*.

41 It was further argued that the Registrar had the power under s 21 of the TMA 1992 anyway to refuse registration of an application if satisfied that it had been accepted in error or if there were special circumstances and that the earlier decision was therefore still open to subsequent rescission, suspension or modification at the hands of the same tribunal which pronounced that decision. To review an earlier decision on such grounds is clearly quite a different matter from re-hearing or rehashing the same points. A final decision could still be set aside if it was proved subsequently that it had been obtained improperly, for instance, by fraud.

42 Where identity of issues was concerned, the Nike companies submitted that although there was likely to be an overlap in subject matter, there were also distinct and significant differences that had arisen. They argued that they would be addressing different issues and putting forth different evidence or, at the very least, highlighting other aspects of the same. It was contended that the scope of the goods had been substantially widened by AR Chua in that it was previously restricted to things only for laundry use but had now been extended to all manner of uses except laundry use and use on sports goods or sporting apparel. It was also argued that PAR Anne Loo was wrong to have said that the evidence in both oppositions would be essentially the same as a determination of the likelihood of confusion and deception between the marks would be at the date of application because the Court of Appeal said in *Tiffany & Co v Fabriques de Tabac Reunies SA* [1999] 3 SLR 147 at [57] that there was no reason why the rights had to be determined at the date of the application. The Court of Appeal added that whether or not to take into account facts occurring after the date of application to register a mark depended on the unique set of facts in each case.

43 The Nike companies further argued that while the first opposition was in respect of an application advertised before acceptance, the second opposition related to an application accepted for registration. The issue in the first opposition was whether the mark was distinctive enough for registration whereas the second opposition was concerned with the question whether the mark should be registered despite being distinctive in the face of other factors.

44 I agree with PAR Anne Loo that the issues would in essence be the same even though the subsequent arguments might come in different packaging and that there was no distinction in the TMA 1992 between opposition for unaccepted and for accepted marks. If it were otherwise, every opposition would have to be dealt with in two stages of enquiry and I do not think that is correct. The re-advertisement was for the benefit of others who were not privy to the proceedings between the parties and were therefore not aware of the amendment to the specification. It was not done to give the Nike companies a second opportunity to oppose the amended application.

45 The Nike companies thought they should appeal against AR Chua's decision and hence the application for leave to appeal out of time. It was patently clear that AR Chua in her grounds of decision had considered the objections before arriving at the conclusion that she did. The appeal process was the correct path to take if the parties were dissatisfied with the decision of AR Chua and believed that she had made a wrong turn by enlarging or by unduly restricting the scope of the specification after hearing the objections. Whether she actually enlarged the scope is debatable because while she did change "all for laundry use" to "all not for laundry use", she also placed another very significant restrictive qualifier by excluding sports goods and sporting apparel, two categories which must be very close to the heart of the Nike companies.

46 No arguments were canvassed on the issue of identity of parties. I need only say that I agree with PAR Anne Loo's holding on this issue. The Nike companies' interests were so inextricably bound that, for the purposes of the opposition, Nike Singapore was the same as Nike International.

47 Campomar's conduct after the first opposition could not result in it being estopped from relying on *res judicata* in the second opposition. Even if it had made a wrong concession in its written submissions before Kan Ting Chiu J, that was put right by its counsel's reservation of rights when asked by the judge to confirm that *res judicata* would not be raised at the second opposition. In any case, Nike International's delay in appealing against AR Chua's decision could not be attributed in any way to Campomar and its application to court was dismissed on the merits and not because of any concession or undertaking given by Campomar.

48 I therefore dismissed the appeal by the Nike companies in OM 25 with costs.

OM 26

49 PAR Anne Loo considered the grounds of revocation in ss 22(1)(*a*) and 22(1)(*b*) of the TMA 1999. However, Nike International's Statement of Grounds dated 21 January 2002 relied on s 22(1)(*b*) only. The ground in s 22(1)(*a*) was not applicable on the facts anyway. Even if Campomar did not put the mark to genuine use within the period of five years following the date of completion of registration in December 1989, it was accepted that there was such use in November 1996 at least in respect of Galaxy Enterprises Pte Ltd (see [20]). The application to revoke was taken out only in January 2002. Campomar would therefore be able to rely on ss 22(3) and 22(4) of the TMA 1999 to resist revocation. The said provisions read:

> (3) The registration of a trade mark shall not be revoked on the ground mentioned in paragraph (*a*) or (*b*) of subsection (1) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the 5 year period and before the application for revocation is made.
>
> (4) Any commencement or resumption of use referred to in subsection (3) after the expiry of the 5 year period but within the period of 3 months before the making of the application for revocation shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

50 Counsel for Campomar submitted that since Nike International had elected not to cross-examine Corrales on his latest affidavit, it was not entitled to question Corrales' credibility. He compared a number of items in the invoice of 27 July 2001 to Bhojwani's Pte Ltd with the items in the 2001 price list tendered. For instance, the reference in the invoice to "25309 NW EdP N/S Merchandiser Tin 7.5ml" could be correlated to an entry in the price list using the same terminology. "25080 NC EdT N/S 100ml" in the invoice correlated with "25080 NIKE Edt N/S 100ml" in the price list.

Similarly, "25079 NC EdT N/S 50ml" in the invoice correlated with "25079 NIKE Edt N/S 50ml" in the price list. He explained that "EdP" and "EdT" stood for "eau de parfum" and "eau de toilette". In the context of perfumes, this must be correct. He also pointed out that "N/S" meant "natural spray". The photographs in the price list also indicated that the perfume products carried the names "NIKE MAN", "NIKE WOMAN", "NIKE" AND "NK".

51 To drive home the point that many of the items in the invoice could be correlated with those in the price list, counsel for Campomar pointed out that even products with other brand names like "22200 Fun Water Woman EdP N/S 30ml" in the invoice could be matched with "22200 FWW EdP N/S 30ml" in the price list. The same could be shown for "27500 Carlos Moya EdT N/S 100ml" in the invoice which appeared as "27500 CM Edt N/S 100ml" in the price list.

52 I was persuaded that the invoice in question related to perfume products of De Ruy Perfumes SA and that the trade mark "NIKE" was used on the products, albeit with an additional description in some instances to identify the target gender group. Such use did not alter the distinctive character of the mark "NIKE" and was sanctioned under s 22(2) of the TMA 1999 which provides:

> (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.

I did not think it strange that code numbers or code names were used in the invoice of 27 July 2001 to identify the goods. The transacting parties obviously knew what they referred to, in the same way as car sellers and buyers in Singapore would understand "7 series" to mean a BMW car and "S280" to mean a Mercedes Benz.

53 I also accepted that De Ruy Perfumes SA and Campomar were associated companies and that use of the mark by one entity was equivalent to use by the other. Alternatively, use of the trade mark by De Ruy Perfumes SA was with the consent of Campomar, the proprietor. Since the transaction was in July 2001, it was clearly within the relevant five-year period between 21 January 1997 and 21 January 2002. I also believed that the goods in the invoice were sent by De Ruy Perfumes SA from Spain to Bhojwani's Pte Ltd in Singapore by sea in the course of trade. This was confirmed by a letter from Geodis Teisa, the freight forwarder. The goods were obviously not sold "ex works" contrary to what was indicated in the invoice. I am fortified in this belief by the fact that the weight of the goods in the bill of lading of Geodis Teisa corresponded with that in the invoice and that both these documents indicated that there were three pallets or packages. The discrepancy in volume (4.77m³ in the invoice and 4.867m³ in the bill of lading) was not significant in the light of the other connecting factors. The fact that the bill of lading was dated 10 August 2001 while the invoice was dated 27 July 2001 did not sever the linkage between the two documents. After all, the difference was only some two weeks. It was said that while the transaction records involving Galaxy Enterprises Pte Ltd showed a letter of credit reference number in the bill of lading which corresponded with that in the invoice, there was no reference to any letter of credit in the instant case. However, in the present case, there was no letter of credit involved as the payment terms in the invoice were "BY SWIFT BANK TRANSFER IN ADVANCE". This also confirmed that the transaction was commercial in nature and therefore one done "in the course of trade".

54 Counsel for Nike International pointed out that its private investigator reported that Kalai, a female employee at Bhojwani's Pte Ltd who claimed to be in charge of the office, had informed him during his visit in April 2002 to that company's premises in Outram Road that the company was engaged only in wholesale business and that all its products were transhipped to Jakarta in Indonesia.

She also told him that the company would occasionally re-pack goods to be air-freighted to Jakarta and that it did not carry any stock in the office. In reply to his query whether the company imported or dealt in "Puma", "Nike" or "Adidas" cosmetics or perfumes, she said the company did not sell such products. It was also submitted that an adverse inference should be drawn against Campomar as no evidence was adduced through Bhojwani's Pte Ltd. Counsel for Campomar explained that Bhojwani's Pte Ltd was the former distributor and it did not wish to be involved in the litigation although the company had been approached by him to give affidavit evidence.

55 In the light of all the evidence, Bhojwani's Pte Ltd must have sold and exported the NIKE products it had bought to someone in Indonesia or must have exported them there for sale. It must be remembered that Kalai was speaking to the private investigator in April 2002 whereas the shipment of NIKE perfumes took place some eight months ago in August 2001. It was possible that she meant the company did not deal in NIKE perfumes at that time. It was also unclear what the actual status of Kalai in the company was and how long she had been in its employ.

56 Counsel for Nike International suggested that "genuine use" in s 22 of the TMA 1999 could be equated with "*bona fide* use" in s 40(1)(b) of the TMA 1992, which was the former provision of law that the Court of Appeal in *Swanfu Trading Pte Ltd v Beyer Electrical Enterprises Pte Ltd* [1994] 1 SLR 625 was concerned with. The court there held that the more substantially a registered trademark was used in a commercial way, the easier it would be to say that the use was *bona fide*. Similarly, it was said in *Laboratoire De La Mer Trade Marks* [2002] FSR 51 that the smaller the amount of use, the more carefully must it be proved, and the more important it would be for the proprietor to demonstrate that the use was not merely colourable or token, *ie* done with the ulterior motive of validating the registration.

57 In *"NODOZ" Trade Mark* [1962] RPC 1, it was acknowledged that a single use of the trademark could suffice in an appropriate case but such single use should be established by convincing proof, if not conclusive proof. Campomar was obliged under s 105 of the TMA 1999 to show what use had been made of its mark. It had, on a balance of probabilities and that was all that was required of it, demonstrated that its mark was on its perfume products and that such products were imported into Singapore commercially, albeit on only one occasion within the relevant five-year period. In my view, Campomar has discharged its onus under the said provision. It was not required additionally to show, contrary to Nike International's submissions, its marketing or sales efforts in Singapore although such efforts would naturally have buttressed its case.

58 The fact that some of the NIKE perfumes were promotional material or that it was a one-off sale to Bhojwani's Pte Ltd and possibly a one-off sale by Bhojwani's Pte Ltd could not alter the position that there was genuine use in the course of trade in Singapore. Promotional materials using a mark could also amount to genuine use of the mark. Having free gifts or promotional material bundled with paid goods could not deprive the transaction of its commercial nature. Products which are not very popular with consumers could very well be imported only once in a few years just as it is possible that only one hideously expensive sports car is imported every few years. Further, the NIKE products imported by Bhojwani's Pte Ltd totalled more than US$11,000, an amount that surely could not be dismissed as derisory or so insignificant that the sale was probably a fictitious one.

59 It was also contended that mere import and export of goods, without the additional tasks of labelling or packaging, could not amount to "genuine use in the course of trade". The use of a mark which is merely internal to the proprietor would also be insufficient to constitute "genuine use" (*La Mer Technology Inc v Laboratoires Goemar SA* [2004] WL 2945720 at [33]). I see no reason why import and export of goods bearing a trade mark should not qualify as genuine use of that mark if it is true *entrepot* trade and not a case of the proprietor importing and then exporting back to himself or

his associates to create the facade of trade. After all, under s 27(4)(*c*) of the TMA 1999, a person is deemed to have used a sign if he imports or exports goods under the sign. Of course, that deeming provision is applicable only for the purposes of the infringement provisions in ss 27–29.

60 For the reasons set out above and in the light of the additional evidence which was not available to PAR Anne Loo, I allowed Campomar's appeal against her revocation of its trade mark and set aside her orders. I ordered each party to bear its own costs at the hearing below as Campomar ought to have produced all necessary evidence for that hearing. I further ordered that the costs of the appeal before me be taxed or agreed and be paid by Nike International to Campomar.

Appeal in OM 25 dismissed;
appeal in OM 26 allowed.

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