Mainfreight (S) Pte Ltd *v* Mainfreight International Logistics Pte Ltd [2012] SGHC 169

Case Number : Suit No 24 of 2011

Decision Date : 15 August 2012

Tribunal/Court : High Court

Coram : Judith Prakash J

Counsel Name(s) : G Radakrishnan and Prithipal Singh s/o Seva Singh (Infinitus Law Corporation) for the plaintiff; Gill Dedar Singh (instructed) and Regina Quek (One Legal LLC) for the defendant.

Parties : Mainfreight (S) Pte Ltd — Mainfreight International Logistics Pte Ltd

Tort – Passing off

15 August 2012 Judgment reserved.

Judith Prakash J:

Introduction

1 This case involves an action by the plaintiff against the defendant for passing off of the trade name and service mark MAINFREIGHT.

2 The plaintiff, Mainfreight (S) Pte Ltd, was incorporated in Singapore on 12 November 1988. At the time of trial, it had been in business for 22 years. It provides shipping, freight forwarding, and warehousing services to customers in Singapore and overseas. According to the plaintiff, it brings in and delivers goods to consignees and importers in Singapore. It also collects and ships out goods for consignors and exporters in Singapore. It argued that its business is international and spans many countries.

3 The defendant, Mainfreight International Logistics Pte Ltd, was incorporated in Singapore on 20 August 2010. It provides freight forwarding, packing and crating services.

4 The defendant is a wholly owned subsidiary of Mainfreight Ltd, a company incorporated in New Zealand in 1978 under the name "Mainfreight Transport Ltd". Mainfreight Ltd is a global supply chain logistics provider and has a number of offices, branches and subsidiaries in New Zealand, Australia, the United States and Asia. The defendant referred to Mainfreight Ltd and its subsidiaries and branches as "the Mainfreight Group". Mainfreight Ltd was listed on the New Zealand Stock Exchange in 1996. The defendant was set up as a regional office for the Mainfreight Group's international freight forwarding business.

The proceedings

5 In these proceedings, the plaintiff seeks injunctive relief to, *inter alia*, restrain the defendant from passing off by using for the defendant's services the trade name MAINFREIGHT (including Mainfreight in small letters) or any other name colourably similar to MAINFREIGHT as the defendant's trade name. It also seeks to restrain the defendant from passing off by providing or offering to provide or advertising the defendant's services as the services of the plaintiff or as being connected

to the plaintiff by using the trade name MAINFREIGHT. The plaintiff also seeks an inquiry as to damages, payment of any damages found due, delivery up of articles bearing the word MAINFREIGHT and for the defendant to change its name.

6 In its Defence (Amendment No. 2), the defendant:

(a) did not admit that the plaintiff had valuable goodwill in Singapore;

(b) pleaded that the plaintiff did not have exclusive rights to the name MAINFREIGHT in Singapore;

(c) pleaded that Mainfreight Ltd or the Mainfreight Group was a prior and/or concurrent user of the MAINFREIGHT name and mark(s) in Singapore;

(d) pleaded that the plaintiff had acted in bad faith by registering and using the same name/mark MAINFREIGHT in Singapore;

(e) pleaded that Matthew Er (a director of the plaintiff), and by implication, the plaintiff, had acquiesced to and/or was stopped from objecting to, the use by Mainfreight Ltd and/or the Mainfreight Group (and therefore by implication the defendant, which was all times duly authorised by Mainfreight Ltd as Mainfreight Ltd's wholly-owned subsidiary and/or as part of the Mainfreight Group), of the name/mark MAINFREIGHT in Singapore.

7 The defendant abandoned points (d) and (e) after the trial. With regard to point (a), the defendant in its submissions conceded that the plaintiff has goodwill in the following trade lanes:

(a) Singapore – Malaysia;

(b) Singapore – Borneo;

(c) Singapore – Myanmar.

For the sake of convenience, I will refer to these as the "three trade lanes". Notwithstanding this, however, the defendant argued that the plaintiff was not entitled to maintain an action for passing off because the plaintiff's goodwill was limited to the three trade lanes and the plaintiff did not operate in the same lanes as the defendant and therefore the parties were not in competition with each other.

The issues

8 It is common ground that in order to succeed in a claim for passing off the plaintiff must show:

(a) Goodwill;

(b) Misrepresentation; and

(c) Damage.

9 Bearing the above elements in mind, the issues that arise out of the pleadings and the evidence are the following:

(a) Whether the plaintiff possessed goodwill in its business under the MAINFREIGHT name or

mark on or before the relevant date (being 20 August 2010 according to the plaintiff and 1 January 2011 according to the defendant);

(b) Whether the defendant's use of the MAINFREIGHT name or mark in the course of its business amounted to an actionable misrepresentation to the relevant sector of the public;

(c) Whether the plaintiff was likely to suffer damage or loss as a result;

(d) Whether Mainfreight Ltd, the defendant's parent company, or the Mainfreight Group, enjoyed any goodwill in Singapore concurrently with that enjoyed by the plaintiff;

(e) Whether, if such goodwill was established, the defendant was entitled to ride on that goodwill.

Goodwill

Relevant date

10 Both parties agreed that the relevant time at which goodwill was to be determined was the date at which the defendant commenced the activities complained of. As indicated above, however, the parties disagreed when it came to identifying the actual date.

11 The plaintiff argued that its goodwill should be assessed at the date at which the defendant actually commenced business, *ie*, 1 January 2011. This date was established by the evidence of Daniel Lim ("Mr Lim"), the defendant's branch manager. The defendant's position was that the plaintiff's goodwill should be assessed at the date of incorporation of the defendant, *i.e* 20 August 2010.

12 In *CDL Hotels International Ltd v Pontiac Marina Pte Ltd* [1998] 1 SLR(R) 975 ("*CDL*"), the Court of Appeal, in discussing the concept of the relevant date, said (at [40]):

> The situation here has some similarity with the New Zealand case of *Crusader Oil NL v Crusader Minerals NZ Ltd* (1984) 3 IPR 171. There, the plaintiffs established a large resource company in Queensland, Australia and had generated goodwill in relation to that business. However, they had no goodwill in New Zealand. *In November 1982, the defendant company was registered in New Zealand with a very similar name and similar objects. However, it did not begin to trade.* At that point in time, the plaintiff still had no goodwill in New Zealand. It was established that the plaintiffs acquired sufficient goodwill in New Zealand by April 1983. *In June 1983, the defendant published its prospectus seeking for investors. Jeffries J of the High Court of New Zealand held that the relevant date for determining whether the plaintiffs had established any goodwill was in June 1983, when the defendant published its prospectus and sought investors, and not the earlier date of November 1982 when the defendant company was registered in New Zealand but had not begun trading. June 1983 was held to be the date on which the defendants commenced their conduct of passing off, as that was the date they commenced their act of infringement.*
>
> [emphasis added]

13 In line with the above authority, the relevant date for determining whether the plaintiff had established any goodwill is 1 January 2011, when the defendant actually commenced business.

14 It should be noted too that it was also the evidence of Mr Lim that two instances of confusion

concerning mis-sent documents were due to the fact that the defendant had *only recently* commenced business dealings with Costar Shipping Pte Ltd and Hanjin Shipping (S) Pte Ltd. These documents were sent on 7 January 2011 and 24 January 2011 respectively. Accordingly, the 1 January 2011 date for commencement of business appears to be borne out by documentary evidence as well as Mr Lim's testimony.

Does the plaintiff have goodwill in Singapore?

15 The plaintiff stated that it had used the MAINFREIGHT name and mark for 22 years for its shipping, freight forwarding and warehousing services. Whilst the legal name of the plaintiff is Mainfreight (S) Pte Ltd, the plaintiff's evidence was that its trade name in Singapore has always been just "Mainfreight". Save for written correspondence where the name is used in full, the plaintiff identifies itself and, it said, is identified by its customers and the trade simply as MAINFREIGHT. The plaintiff accepted that its name is a combination of the ordinary English words "main" and "freight" but asserted that over the 22 years of its existence the combined word had acquired a secondary meaning in Singapore and referred to the plaintiff and only the plaintiff in this country.

16 The evidence was that in the course of its business, the plaintiff deals with:

(a) Inbound and outbound cargo;

(b) Transhipment cargo to other countries in the region; and

(c) Cross-trades, namely freighting cargo between ports located outside Singapore.

The goodwill is claimed for those in Singapore who do business with the plaintiff which, the plaintiff asserted, is a very wide constituency. Its customers include exporters, importers, shipping lines, container suppliers, port authorities, customs authorities, and members of the public who want to ship or to receive goods.

17 In its submissions, the plaintiff stated that there could be no dispute that both parties were in the same business, namely freight forwarding. Therefore, the plaintiff argued that there was a common field of activity.

Defendant's arguments

18 The defendant, as mentioned above, did not dispute that the plaintiff possessed *some* goodwill. Its main argument was that the scope of the plaintiff's goodwill should be limited to the trade lanes it could lay claim to. It cited the Court of Appeal's judgment in *Novelty Pte Ltd v Amanresorts Limited* [2009] 3SLR(R) 216 ("*Amanresorts*") for the proposition that goodwill, the "attractive force that brings in custom", was not an "all-*or*-nothing attribute". It then argued that the plaintiff's approach to the element of goodwill was misguided, and that the correct approach was to examine the scope of the plaintiff's goodwill to ascertain the boundaries of protection which the plaintiff was entitled to.

19 As stated above, the defendant accepted that the plaintiff enjoyed goodwill in respect of three trade lanes. The defendant's case was that at the date of incorporation of the plaintiff, both parties operated in different trade lanes and were not in competition with each other. The defendant argued that there was little evidence to show that the plaintiff operated outside the three trade lanes. In its view, any sporadic shipments that occurred outside the three trade lanes did not amount to demonstrating that the plaintiff had acquired goodwill in respect of trade lanes internationally. The defendant cited the cases of *Anheuser-Busch v Budejovicky Budvar* [1984] FSR 413 at 467 and

Future Enterprises Pte Ltd v Tong Seng Produce Pte Ltd [1997] 3 SLR(R) 797 in support of this argument. The defendant argued that the plaintiff had to show that it had more than "mere trivial goodwill" and more than a minimal reputation. It cited the case of *Hart v Relentless Records Ltd* [2003] FSR 36 in support of this argument. Accordingly, based on the evidence, the defendant argued that the plaintiff could not show that it crossed the threshold. The defendant argued that the evidence of Matthew Er, a director of the plaintiff, was that the plaintiff's business was Singapore – Malaysia and Singapore – Brunei:

> Q Yes. So on the actual business that you conducted and based on the documents that you have produced in Court, your business is Singapore - Malaysia, Singapore - Brunei.
>
> A Fair enough, yah.
>
> Q Agree?
>
> A Yah.

20 In sum, the defendant submitted that this court should find that the plaintiff's goodwill was limited to the three trade lanes.

21 Second, the defendant argued that it did not handle freight within South East Asia itself. It asserted that the plaintiff had not produced evidence to show that the defendant has operated in the trade lanes of Singapore - Malaysia and Singapore - Brunei.

22 Third, the defendant agreed that, with regard to the Singapore - Australia and Singapore - New Zealand trade routes, both parties were operating the routes. However, the plaintiff started trading on these two routes *after* the relevant date. The defendant argued that it is the plaintiff which has now branched out and entered into Mainfreight Ltd and/or the Mainfreight Group's trade lanes. However, this expansion did not give rise to an automatic right on the plaintiff's part to claim universal goodwill.

Pleadings

23 The plaintiff raised a point in its closing submissions regarding the defendant's pleadings. The plaintiff stated that the point regarding its goodwill being limited to the three trade lanes was a contention that was arbitrary, artificial and untenable, and that this limiting of the plaintiff's goodwill was an afterthought and was never a point that was pleaded.

24 The relevant paragraph of the statement of claim reads:

> The Plaintiff has thus acquired valuable goodwill in the Plaintiff's business providing the Plaintiff's Services and a tremendous reputation in the trade name and trade mark MAINFREIGHT both in Singapore and abroad. The trade name and trade mark are therefore proprietary in Singapore to the Plaintiff.

25 The relevant paragraph in the Defence reads:

> Paragraph 6 of the Statement of Claim is not admitted.

26 As stated in *Singapore Court Practice 2009* (Jeffrey Pinsler SC gen ed) (LexisNexis, 2009):

> The effect of the traverse is to compel the party making the allegation to prove it... A denial of

the paragraph (as opposed to the denial of the specific content of that paragraph) is sufficient to constitute a traverse.

27 In my view, the traverse as set out in the Defence is sufficient insofar as the defendant's pleadings are concerned. The burden always lay on the plaintiff to establish the boundaries of the goodwill which it claims to enjoy. The defendant was entitled to put the plaintiff to proof of its assertion and was not required to indicate that it accepted a limited goodwill. No doubt if it had done so, this would have made the plaintiff's task easier, but there is no requirement for defendants to give plaintiffs assistance.

The evidence

28 The plaintiff's position is that its business is not confined to specific trade lanes and that there is objective evidence that it does provide various services under the name and mark MAINFREIGHT in Singapore in relation to the carriage of goods to and from various parts of the world.

29 The first item of evidence that the plaintiff relies on is the testimony of its founder and director, Mr Matthew Er. Mr Er repeatedly said that the plaintiff did business in Singapore as a shipper, freight-forwarder and warehouseman. Whilst he did admit that the documents produced showed business between Singapore and Brunei and Singapore and Malaysia, the plaintiff submitted that Mr Er had never conceded that its business was confined to those trade routes. Further, he did say during cross-examination that there was evidence that showed that the plaintiff was doing international business and was not restricted to the three trade lanes.

30 Secondly, the plaintiff relies on the documentary evidence that it produced. In submissions, it pointed out that it had no invoices available for the period before 2006 and that whatever documents were produced were relevant examples only. The plaintiff relied on various types of documents.

31 The first set of documents comprised:

(a) One invoice for charges for shipment from Singapore to Manila;

(b) Two notices of arrival of goods from Indonesia to be transhipped to foreign destinations; and

(c) Nine notices of arrival of goods from Busan, Korea for delivery in Singapore.

These documents showed one shipment made to Manila, two transhipments from Indonesia to foreign ports and that the plaintiff was employed by a shipper or forwarder in Korea to deliver cargo to recipients in Singapore.

32 The plaintiff also produced many documents which it submitted showed that it had dealt frequently with shipments to ports outside the three trade lanes. First, there was a set of *Shipping Times* advertisements in March/April 1989 showing that the plaintiff advertised weekly consolidation services on vessels travelling from Singapore to ports in Australia, Taiwan and Manila in that year. The plaintiff contended that it would not have spent money advertising such services if it did not have business arising from the same. Then, in respect of a later period, it produced first, four bills of lading and receipts in 2008 showing shipments from Singapore to ports in New Zealand and Australia via MISC Berhad's vessels and second, five bills of lading and receipts in 2009 showing shipments from Singapore to Auckland, Shanghai, Colombo and Karachi via MISC Berhad's vessels. These documents indicated some regularity of business to Australia and New Zealand.

33 In addition, in relation to Australia, the plaintiff adduced a rate proposal made to the plaintiff in November 2003 by Leo Shipping for shipments to Australia. There were also advertisements placed in *Asian Shipper* for shipping services to Australia from November 2010 to February 2011. Other advertisements for shipment to Australia were placed in the same publication between 22 November 2010 and 3 January 2011. Additionally, the plaintiff produced similar advertisements for the period from 10 January 2011 and August 2011. Whilst these advertisements appeared after the relevant date, the plaintiff submitted that they were relevant because they showed a continuity of business from the period before the relevant date.

34 The plaintiff asserted that it did business in respect of the Singapore to Taiwan trade lane but was only able to produce a few documents to support this assertion. One of these documents was an email from a Taiwanese company asking the plaintiff to settle its balance due in respect of invoices rendered from August 2005 to January 2006. This was the only document that indicated some amount of shipments made to Taiwan before the relevant date. There was also a bill lading for a shipment made to Taiwan in June 2011 and the plaintiff argued that this showed continuity of Taiwan business.

35 In relation to shipments made to Manila, the plaintiff was able to produce, in addition to the *Shipping Times* advertisements going back to 1989, a January 2006 invoice showing charges paid for shipment of goods to that port and a bill of lading showing a similar shipment in June 2011. Again, the continuity argument was made.

36 The plaintiff also produced various miscellaneous documents in respect of shipments to places other than within the three trade lanes. There were advertisements in 1999 and 2000 relating to services to Myanmar, Maldives and Cambodia. There were advertisements in April 2002 announcing services to Bangka in Indonesia and sailing schedules for the same port. In 2004, there was an announcement of sailing schedules to Colombo, Guam and Karachi. The November and December 2010 *Asian Shipper* advertisements mentioned earlier also advertised shipments to Jakarta, Hamburg, Rotterdam and Felixstowe. Apart from the advertisements, there were various pieces of correspondence between the plaintiff and its clients in relation to services to Colombo, Karachi, Europe, Japan, Auckland, Hong Kong, Korea and Indonesia. The plaintiff was able to produce bills of lading for cargo shipment to Southampton, UK in February 2009 and documents relating to shipments to Los Angeles in November 2009 and June 2010. There were also bills of lading representing shipments made to Busan, Korea in August 2010.

37 The plaintiff also produced documents supporting its assertion that it carried out the "cross-trade" business. This term refers to cargo which moves from one foreign country to another without coming into Singapore. The plaintiff asserted that it carried out its cross-trades business for Singapore clients and therefore had goodwill in Singapore for such business. The documents which the plaintiff produced showed five shipments between foreign Asian ports for clients in Singapore. Only the first shipment, however, took place prior to the relevant date. The plaintiff's evidence for this cross-trade was therefore negligible.

38 On the whole, the plaintiff's documentation for trade lanes other than the three trade lanes was not voluminous and in some cases was very sparse. The defendant submitted that the documents exhibited were evidence of sporadic and isolated trade and could only show trivial goodwill.

39 The plaintiff relied as well on the documents produced in relation to its dealings with Santa Fe Relocation Services (S) Pte Ltd ("Santa Fe"). These documents showed that Santa Fe had used the plaintiff's services on many occasions in the plaintiff's capacity as booking agent. The shipments which the plaintiff arranged on behalf of Santa Fe were shipments of personal effects to ports outside the trade lanes. I have mentioned some of these shipments above. There was also business, albeit

more sporadic, from other customers who used the plaintiff as a booking agent. Whilst in such transactions the plaintiff may have been an intermediary between the freight forwarder employed by the shipper and the shipping line, this does not detract from the fact that the plaintiff obtained regular business relating to the shipment of goods outside the three trade lanes.

40 In the analysis of the plaintiff's goodwill, I think it important to bear in mind that the plaintiff had produced substantial evidence relating to its business in the three trade lanes. This included the evidence of various witnesses whose companies do business regularly with the plaintiff. This business was mostly within the three trade lanes but even a shipping company with whom the plaintiff mainly does business within these lanes, had used his services to make shipments to Australia, New Zealand, South Africa and even the Middle East.

41 The plaintiff adduced evidence as to its earnings over the years. The plaintiff's profit and loss statements showed that in 1989 it had a turnover of $2.36m and that thereafter until 2010, its annual turnover remained in the millions, never falling below $2m and exceeding $4m in most years. In its most profitable years, the plaintiff had a turnover of more than $8m. In 2008, its turnover was $5.17m, in 2009, $4.26m, and in 2010 the estimated figure was $6.23m. It can be seen that the plaintiff's business was steady and solid. From these figures it is obvious that the plaintiff was an established player in the freight-forwarding industry in Singapore and enjoyed a steady stream of custom. It was able to maintain long standing relations with its clients.

42 It is clear to me that the plaintiff enjoys goodwill with customers in the freight forwarding, logistics and shipping industries in Singapore. It is known among these sections of the public for its services and its services are used by them mainly in the three trade lanes but also for other shipments. In *Novelty Pte Ltd v Amanresorts Ltd and another* [2009] 3 SLR(R) 216 ("*Amanresorts*"), the leading authority in this field in Singapore, the Court of Appeal stated at [44]:

> In our view, goodwill is not an all-or-nothing attribute in that it is not the case that the plaintiff either has goodwill in Singapore or, otherwise, has no goodwill at all. Clearly, goodwill can be limited to particular sections of the public. These sections of the public can be small so long as they are not negligible. However, if goodwill is shown to exist only among a small section of the public in Singapore, it would mean that, while goodwill exists in this country, it exists only in relation to that small group and not to the entire public here at large.

43 The plaintiff here has goodwill among a section of the public in Singapore which is a small section but not a negligible one. It is the section of the public that deals with shipping goods out of Singapore, shipping goods through Singapore and receiving and distributing goods which have been shipped to Singapore from abroad. Generally speaking, the plaintiff deals with other companies and businesses and not with individuals. This does not mean that the section of the public is negligible. Singapore is a well known and busy port and there are many businesses here in the area in which the plaintiff operates. Whilst the plaintiff's main customers in Singapore may be in relation to the three trade lanes, the evidence it produced was sufficient to convince me, on the balance of probabilities, that it has goodwill in various other trade lanes as well. In particular, it deals with Australia, New Zealand, Taiwan, South Asian nations, Indonesia and the Philippines. It has produced evidence of receipt of goods from Korea and Taiwan and those in Singapore to whom it delivers such goods will be aware that it deals with these countries as well. The advertisements produced should also be regarded as showing the plaintiff's business in respect of the trade lanes advertised. I accept that the plaintiff would not have placed such advertisements on a regular basis if it did not anticipate receiving business in response to the same.

44 I have noted above that the plaintiff's evidence of its transactions outside the three trade

lanes was somewhat sparse compared with the evidence of its activities in those lanes. In this respect, I think that the plaintiff could have been somewhat disadvantaged by the defendant's general traverse of the assertion that the plaintiff had goodwill. It appears to me that the plaintiff produced most of its evidence in relation to the three trade lanes because those related to a large proportion of its business and it wanted to show how most of the goodwill it claimed arose. If the defendant had been more specific and asserted that the plaintiff had no goodwill outside of those three trade lanes, the plaintiff's efforts would have been directed towards producing more of the evidence to substantiate its goodwill in other areas. As it is though, I am satisfied that the plaintiff has produced enough evidence to establish that it has customers who wish to ship goods, or obtain booking services for the shipment of goods, in respect of many ports throughout the world and not simply to Malaysia, Borneo or Myanmar. There is no evidence that persons in the logistics and freight forwarding industries who know the plaintiff and have used its services for shipment of goods to ports within the three trade lanes would not use those services for ports in other locations if those ports were offered by the plaintiff as destinations which it serves. Although the defendant sought to argue that the plaintiff's goodwill was limited to the three trade lanes this was an entirely negative argument based on what it contended was the lack of evidence produced by the plaintiff to show business with other ports. There was no affirmative evidence produced by the defendant to establish that in the relevant industries customers would only use a freight forwarder for certain trade lanes and not others or that having goodwill in certain tradelanes would not translate to goodwill for other destinations if a forwarder sought to widen its scope of business. There was no evidence that suggested that in practice goodwill for a freight forwarder could be limited in the manner suggested by the defendant. In any event, I am satisfied on the evidence that the plaintiff has discharged its burden of showing general goodwill for various trade lanes operating from Singapore.

Misrepresentation

45 The next burden on the plaintiff is to show that the defendant has made a misrepresentation to the relevant sector of the public.

46 In *Amanresorts* the Court of Appeal discussed the section of the public to which a misrepresentation has to be made in order to be an effective misrepresentation for the tort of passing off. It noted that the established cases had taken inconsistent positions on the issue of whether the target audience of the misrepresentation in a passing off action consisted of the plaintiff's customers or the defendant's customers. It then (at [73]) endorsed the following statement from *The Law of Passing-Off: Unfair Competition by Misrepresentation* (Sweet & Maxwell, 3rd Ed, 2004) that (at para 5-92):

> The relevant public is normally stated to consist of the *actual or potential customers of the claimant*, and this is consistent with the fact that only misrepresentations directed to them are likely to damage the claimant's goodwill. The claimant is much less likely to suffer from a misrepresentation made to a person who would never be likely to deal with him. [emphasis added]

The Court of Appeal went on to consider the English case of *HFC Bank Plc v Midland Bank Plc* [2000] FSR 176 and following the approach of the English High Court in that case it stated at [75]:

> We agree with the Respondents' submission that the approach taken by Lloyd J in the *HFC Bank* case is the right approach to adopt. The alleged misrepresentation must be analysed from the perspective of those who have goodwill in the plaintiff's get-up.

47 In this regard it is the plaintiff's assertion that the defendant was set up to do all sorts of freight forwarding business and for all areas. As this is the very same business that the plaintiff is in,

the plaintiff's contention is that the defendant has been or will be misrepresenting itself to the very same sector of the public that the plaintiff deals with and this comprises the plaintiff's actual and potential customers. It says that it is known to the relevant sector of the public as "Mainfreight" and that the defendant although officially called Mainfreight International Logistics Pte Ltd, in actual use identifies itself as just "Mainfreight" and uses the mark "MAINFREIGHT" for its business. As a result, there is a misrepresentation that the defendant is the same entity as the plaintiff or is somehow connected to the plaintiff.

48 The defendant denied the allegation. It said that it is not in competition with the plaintiff and has not made and will not be making any misrepresentations to the plaintiff's customers. It relied on evidence given that it was set up as a regional office to handle the Mainfreight Group's freight forwarding business in Singapore. It asserted that it is essentially a destination agent in Singapore for the Mainfreight Group. Prior to the defendant's incorporation, Mainfreight Ltd/Mainfreight Group employed destination agents to handle its business in Singapore and handle transhipment cargo which moves through Singapore on its way to foreign countries. In the case of transhipped goods within the Mainfreight Group, the defendant argued, there can be no misrepresentation occasioning damage to the plaintiff's goodwill because such goods are handled wholly by the defendant and no other freight forwarder or agent. As all of the documentation is internal, the public at large would not be exposed to the defendant's use of the Mainfreight name/mark.

49 If the defendant's business was limited to dealing with transhipment business in respect of cargo forwarded to Singapore by other members of the Mainfreight Group to enable the defendant to send the same on to a foreign final destination, then the contention that it is not in competition with the plaintiff would be a compelling one. There is, however, evidence that that is not all that the defendant is doing or intends to do. Mr Lim testified that the defendant was established with a view to growing the international freight forwarding business primarily to and from the United States of America, New Zealand, Australia, China, Hong Kong and South East Asia. Its primary focus was the growth of trade between countries where the Mainfreight Group already has established offices. He also said that the volume of business that the group handles involves Singapore as both a destination and source of its freight business as well as a transhipment hub for its international freight forwarding business. In cross-examination, Mr Lim conceded that some of the defendant's business is the same as that of the plaintiff and overlaps with that of the plaintiff. It acts as a destination agent for goods coming into Singapore but also sends goods from Singapore to consignees in places like Australia and New Zealand where the Mainfreight Group has offices. He agreed that the plaintiff and the defendant were in the same trade lane as far as Australia and Singapore and New Zealand and Singapore are concerned. He was, however, adamant that the defendant did not deal in the intra-Asian trade at all and did not ship to Malaysia, Brunei or Indonesia in particular.

50 Whilst Mr Lim denied that the defendant did business from Singapore with other Asian countries, there was some other evidence which contradicted this. The plaintiff had employed a private investigator to find out about the defendant's business and as part of the plaintiff's evidence, transcripts of taped telephone conversations between the investigators and the defendant's personnel were adduced. In answer to queries by the investigators the defendant's staff indicated that the defendant could arrange for shipments to Australia, Penang, New Zealand and the United States. The defendant also gave the private investigator a quotation for freight forwarding of goods from Saigon to Singapore. Additionally, over the telephone, the staff indicated that the defendant could arrange for freight forwarding from Sri Lanka to Singapore.

51 I am satisfied from this evidence that on the balance of probabilities, the defendant is more than a simple destination agent for the Mainfreight Group and that it is capable of and prepared to do all sorts of freight forwarding business. The defendant would therefore be in competition with the

plaintiff in the plaintiff's area of activity. In any case, even if the parties were operating in different trade lanes, that does not mean that there can be no misrepresentation to the relevant public. In *CDL* the Court of Appeal said (at [63]):

> Secondly, it is well settled that the parties in a passing off action need not be in mutual competition. The parties may be engaged in different fields of business activities.

52 I have found that there is a potential for misrepresentation. I now go on to consider whether there was actual misrepresentation from the perspective of those who had goodwill in the plaintiff's get-up.

53 In *Amanresorts*, in considering whether misrepresentation by the appellant had been received by those with goodwill towards the "Aman" names, the court observed (at [76]):

> The question of whether those in Singapore with goodwill towards the "Aman" names have received the Appellant's misrepresentation depends on how widely the misrepresentation has been broadcast. This is a matter of fact. Most misrepresentations are broadcast to the public at large in Singapore. In this case, the name "Amanusa" was apparently prominently displayed outside the Showflat itself; it also appeared in promotional brochures and advertisements of the Project in the mass media, which many people in Singapore would have been exposed to. The misrepresentation has thus been made to the public at large, *which would include those in Singapore with goodwill towards the "Aman" names.*

54 I turn now to the evidence of misrepresentation which the plaintiff has adduced to support its assertion that the relevant public has been misled by the similarity of the names of the plaintiff and the defendant and the way in which the defendant uses the first word of its name.

55 In Mr Er's affidavit, he produced copies of advertisements which the defendant had placed on the online employment agency, Jobstreet.com. These advertisements, which were headed "MAINFREIGHT" followed by the defendant's full name, advertised job vacancies in the defendant's operation. The plaintiff did not rely on these advertisements in its closing submissions probably because they were not aimed at the plaintiff's customers but rather at job seekers who were seeking for employment and therefore were not influenced by goodwill belonging to the plaintiff but rather on whether they were qualified for the jobs advertised by the defendant.

56 To establish misrepresentation the plaintiff, in its closing submissions, relied on evidence of confusion that it had adduced. It referred to eight instances of alleged confusion which consisted of misdirected phone calls and correspondence. There was also evidence from one of the plaintiff's witnesses that he was asked by clients whether the plaintiff and the defendant were related. I consider the same in turn.

57 Dealing first with the wrongly delivered documents, the first document referred to was an Arrival Notice from Costar Shipping Pte Ltd ("Costar"). This, the plaintiff claimed, was meant for the defendant but was faxed to the plaintiff. It was Mr Er's evidence on affidavit that the plaintiff did business with Costar. In cross-examination, it was put to Mr Er that this document was never meant for the plaintiff and therefore the wrong transmission was simply a case of a mistake made by the fax operator of Costar. The defence did not challenge the fact that Costar was the plaintiff's customer. In my view, whilst the document may have been meant for the defendant, the fact that it was sent to the plaintiff instead showed that the plaintiff's own customer was confused and associated the defendant with the plaintiff. That is why the document was sent to the plaintiff's fax number instead of to the defendant's.

58 The second piece of evidence was a set of documents faxed, the plaintiff claimed, by mistake to the plaintiff. This set of documents consisted of an Arrival Notice from Hanjin Shipping, a waybill and an attached rider. The plaintiff claimed that these documents were clearly meant for the defendant since the defendant's name and contact details appeared on the notice and waybill. It was Mr Er's evidence that Hanjin Shipping was the plaintiff's client. Again, this assertion was not challenged by the defence which was content to point out to Mr Er that the documents were meant for the defendant. As with the first piece of evidence, I find that the plaintiff's customer was confused by the similarity of the defendant's name with the plaintiff's and that is why the document was wrongly sent to the plaintiff.

59 The third piece of evidence was a set of documents consisting of:

(a) copies of the defendant's invoice dated 27 January 2011 to Indium Corporation of America's office in Singapore for services rendered;

(b) a cheque for payment of the defendant's invoice from Skylift Consolidator (Pte) Ltd; and

(c) a letter of authorisation from Indium authorising Skylift Consolidator (Pte) Ltd to clear shipments.

This third set was brought to the plaintiff's office by a dispatch rider although the defendant's name and address must have appeared on the envelope since the cheque was being sent to the defendant in payment of its invoice. In this case, the confusion was that of a dispatch rider who probably knew the plaintiff better than the defendant which was a new company. I think this confusion has to be disregarded as evidence of misrepresentation since the dispatch rider would not be a customer of the plaintiff. He was just a delivery person who was confused by the similarity in the names. It is clear from the authorities that not every instance of confusion is evidence of misrepresentation.

60 The fourth piece of evidence was a set of two documents dated 3 May 2011. One of these was an Arrival Notice sent from CMA CGM & ANL (Singapore) Pte Ltd ("CMA"). Again, these documents were meant for the defendant but faxed to the plaintiff. It is clear from the document that CMA is a shipping agent. Whilst Mr Er did not assert that CMA was a customer of the plaintiff at the time, CMA as a shipping agent would fall within the relevant sector of the public and could be a potential customer of the plaintiff. I therefore consider this evidence of the confusion between the plaintiff and the defendant in the mind of CMA's employees as relevant.

61 The fifth document was a SATS Shipment Arrival Notice which was, the plaintiff alleges, wrongly sent to the plaintiff. In addition, as was pointed out by the plaintiff, in the air waybill attached, the defendant's address was given under the plaintiff's name. Mr Lim tried to explain why the mistake was made. He stated that, as the name on the air waybill indicated the name of the consignee as Mainfreight (S) Pte Ltd, SATS staff had simply searched for the fax number of the consignee as named and transmitted the SATS documents to that contact. As to why the name of the consignee was itself mistakenly entered, Mr Lim's evidence was that he was informed that this was a case of human carelessness and administrative error on the part of the defendant's Italian counterpart. Whilst I note that the defendant's Italian counterpart cannot be considered part of the relevant public in Singapore, if even the defendant's own agent can mistake the plaintiff for the defendant, this is an indication of a situation where confusion is likely to reign even in Singapore.

62 The plaintiff also alleged that there were telephone calls which were made to the plaintiff which were meant for the defendant. The plaintiff's staff made a log of such calls and these logs were exhibited in evidence. There were three phone calls listed. According to this log, one call related to

the defendant's advertisement in Jobstreet.com. That call does not provide evidence of confusion among the relevant sector of the public. The second call was from someone from Costar who was enquiring about a shipment from Brisbane. As Costar was the plaintiff's client, this is further evidence of misrepresentation. The third call was from a company called DGL Singapore. Whilst the subject of the call was said to be a shipment from China, there is no indication as to who DGL is and therefore this evidence is equivocal.

63 The plaintiff adduced the testimony of one Mr Chan Wah Hock who has been employed as its sales executive since 2009. He testified that the plaintiff has a client called NYK Shipping and that he deals with one Mr Junesh Balan in that company. On 18 May 2011, Mr Balan called him and said that he had received an email from one Amanda Lim from Mainfreight requesting freight rates for intra-Asian ports. Mr Balan asked why the plaintiff wanted these rates again when it already had a rate arrangement with NYK Shipping. Mr Chan then checked with one Amanda Teng, an employee in the plaintiff's accounts department, and was told she had made no such enquiry. He conveyed this to Mr Balan who then found out that Amanda Lim was from the defendant. Mr Chan's evidence was that Mr Balan was confused, thinking that Amanda Lim represented the plaintiff because of the use of the name "Mainfreight" by the defendant.

64 Mr Chan also gave evidence of what had happened when he had visited a senior sales manager of Mitsui OSK Line, one Mr Wong. Apparently, Mr Wong asked whether the defendant was a subsidiary of the plaintiff because the defendant was asking for rates for the same countries as the plaintiff. Mr Chan had then explained that the defendant was not the plaintiff and was not connected to the plaintiff.

65 The defendant's response was that Mr Chan's evidence could not be admitted because it was hearsay. I do not accept this submission. Mr Chan's evidence was of queries which were put to him by Mr Balan and Mr Wong. He was entitled to give evidence of what was told to him as long as it was relevant to the issues at hand which it undoubtedly was. The defendant objected that even if Mr Chan's evidence was not hearsay, it was opinion evidence. I do not accept that either. Mr Wong was not coming to any conclusion but was testifying to what had been said to him and what he had explained in response. It is the court that has to decide whether the evidence showed cases of confusion. It is worth mentioning that the defendant did not challenge the veracity of Mr Wong's account of the two incidents.

66 Having considered the evidence overall, I am satisfied that on a balance of probabilities, the plaintiff has established that the defendant has made the requisite misrepresentation to the relevant sector of the public. Although there was no evidence of a general advertisement of the defendant's services (as in the *Amanresorts* case), the evidence of confusion that was given was sufficient overall for me to infer that the defendant had misrepresented itself to people having goodwill to the plaintiff. Further, the Court of Appeal made it clear in *Amanresorts* that there is no need for actual confusion to be shown and that only a likelihood of confusion has to be established. It said at [80]:

> Evidence of actual confusion between the business, goods or services of the plaintiff and those of the defendant may be helpful, but the lack of such evidence is not fatal to the plaintiff's claim. Instead, the court is entitled to consider whether the average reasonable person, with characteristics reflective of the relevant section of the public as identified under the examination of goodwill, is likely to be confused by the defendant's misrepresentation. In *Parker-Knoll Limited v Knoll International Limited* [1962] RPC 265, Lord Devlin said (at 291-292):
>
> > Instances of actual deception may be useful as examples, and evidence of persons experienced in the ways of purchasers of a particular class of goods will assist the judge. But

his decision does not depend solely or even primarily upon the evaluation of such evidence. The court must in the end trust to its own perception into the mind of the reasonable man.

67 In the present case actual confusion has been established. There is also a likelihood of confusion given that both parties use MAINFREIGHT as their business name.

Damage

68 Professor Wadlow states in *The Law of Passing-Off: Unfair Competition by Misrepresentation* (Sweet & Maxwell, 4th Ed, 2011) ("*Wadlow*"), that (at para 4-011):

> The claimant does not have to prove actual damage (still less special damage) in order to succeed in an action for passing-off. *Likelihood of damage is sufficient*.
>
> [emphasis added]

69 This point was also touched on in *Amanresorts*. It was noted at [94] of the judgment that:

> The tort of passing off protects the plaintiff against damage caused to the goodwill attached to its business, goods or services by the defendant's misrepresentation. Thus, even if the defendant's misrepresentation is shown to have caused or to be likely to cause confusion between the plaintiff's business, goods or services and those of the defendant, such misrepresentation is not in itself actionable under the law of passing off unless it has caused (or is likely to cause) damage to the plaintiff's goodwill. As correctly identified by the Judge, the test for damage in passing off cases is *either "actual or probable damage"* (id at [63]) to the plaintiff's goodwill.
>
> [emphasis added]

70 The defendant's submission in this regard was that the plaintiff had not produced any evidence of actual damage. In addition, the defendant argued that none of the confusion alleged by the plaintiff had led to any actual loss in business of the plaintiff. I accept these submissions. They are, however, not the end of the matter.

71 The plaintiff's argument was that it was sufficient if it could show that there was likelihood of damage. Given the facts of the case, it would not be reasonable to demand proof of actual damage. The defendant had started the conduct complained of only on 1 January 2011 and the writ was issued two weeks later, on 14 January 2011. At the time of the trial, the financial year of the plaintiff had not closed and it would take some more time before the true picture emerged. It pointed out that Mr Lim had admitted in cross-examination that there was a possibility that the plaintiff could suffer damage through loss of business because both the plaintiff and the defendant were using the name MAINFREIGHT. The plaintiff also argued that where a defendant is in direct competition with a plaintiff, damage would be presumed as there is a real likelihood of damage. It cited *QB Net Co Ltd v Earnson Management (S) Pte Ltd* [2007] 1 SLR(R) 1 ("*QB Net*") and *Caterpillar Inc v Ong Eng Peng* [2006] 2 SLR(R) 669 ("*Caterpillar*").

72 In *QB Net* Lai Siu Chiu J said at [62] – [63]:

> 62 In my view, this argument was unsustainable. While price may be a relevant factor in the choice of an express haircut salon, this does not detract from the fact that business would be diverted to the first defendant as a result of the latter's misrepresentation. As the plaintiff rightly

pointed out, the court would readily infer damage or the likelihood thereof if the plaintiff and the defendant are in competition with each other. This proposition was affirmed by the Court of Appeal in *Tong Guan Food Products Pte Ltd v Hoe Huat Hng Foodstuff Pte Ltd* ([27] *supra*) at [31]:

> ... If the goods in question are in direct competition with one another, the court will readily infer the likelihood of damage to the plaintiff's goodwill, not merely through loss of sales but also through loss of the exclusive use of his name or mark in relation to the particular goods or business concerned ...

63 Given that both the plaintiff and the first defendant were in the same business offering express haircut services at the same price ($10.00) for the same duration (ten minutes), they were direct competitors in the same industry and, consequently, I would infer damage or the likelihood thereof to the plaintiff's goodwill.

73 In *Caterpillar*, Tay Yong Kwang J expressed the same views, albeit more briefly. He said at [66]:

> The plaintiff here only needs to prove the likelihood of damage in order to succeed in its claim in passing off. It cannot be disputed that the defendant's goods and services were in direct competition with the plaintiff's. Naturally, the defendant's business would take away unfairly part of the legitimate business of the plaintiff. There was therefore every likelihood of damage.

74 Insofar as the defendant here carries on freight-forwarding business from Singapore, it would be in direct competition with the plaintiff. The defendant's Mr Lim, whilst maintaining that the bulk of the defendant's business related to dealing with incoming cargo from other members of the group, honestly admitted that if the defendant was asked by someone in Singapore to forward goods to Australia, the defendant would accept the business. Whilst it might not be correct to argue, as the plaintiff did, that in such a case damage would be presumed by the court, in this case as in *QB Net* and *Caterpillar* I am able to infer from the facts that there is every likelihood of damage to the plaintiff if the defendant continues trading in Singapore under the trade name MAINFREIGHT.

The defence of prior/concurrent user

75 The defendant's position is that it is entitled to rely on the defence of prior/concurrent user. It is well established that if a party proves that it is a concurrent user of a trademark, the court may deny a plaintiff's claim for passing off. According to *Wadlow* (at 9-110) the defence of prior/concurrent user may extend to a business established abroad insofar as it is able to show that the trade carried on abroad has resulted in goodwill for it being created within the jurisdiction in question. The defendant also relied on the English case of *Hotel Cipriani Srl v Cipriani (Grosvenor Street) Ltd* [2010] RPC 16. The defendant submitted that in the case, the English Court of Appeal held that if a foreign business party claiming goodwill within the jurisdiction can show that it has (a) substantial reputation and (b) a substantial body of customers, this would be sufficient to establish that it enjoys goodwill. In the present case, the defendant recognised that it itself had no concurrent goodwill because it was only established in 2010 but said that it was entitled to rely on the goodwill established by its holding company and/or the Mainfreight Group.

76 There are two issues that arise here. The first is whether Mainfreight Ltd, the defendant's parent company, or the Mainfreight Group, enjoyed any goodwill in Singapore concurrently with that enjoyed by the plaintiff. The second, which only arises if such goodwill is established, is whether the defendant is entitled to ride on that goodwill.

77 In relation to the first issue, the defendant submitted that the evidence showed that Mainfreight Ltd/the Mainfreight Group had enjoyed goodwill amongst its destination agents in Singapore since September 1987. In the course of the relationship established with such agents, they would have sent cargo to Singapore to be handled by these destination agents and the agents would have sent business back to Mainfreight Ltd/Mainfreight Group in the form of shipments. Each party would have been a customer of the other in a reciprocal relationship and therefore Mainfreight Ltd/Mainfreight Group would have had customers within the jurisdiction. These entities had also conducted business under the MAINFREIGHT name/mark in Singapore. There had been at least 47,841 transactions of cargo to, from or through Singapore for the period 2005 to 2010. These numbers were for the Mainfreight Group's operations and offices in New Zealand, Australia and the USA. Further, two witnesses in the present proceedings had testified that they had used a company called Mainfreight International Ltd ("Mainfreight NZ") to send goods to Singapore. In the premises, the defendant submitted that there was adequate evidence that the Mainfreight business enjoyed both the requisite reputation in Singapore as well as the body of customers to support its claim to goodwill.

78 On the second issue, the defendant's submission was that as a wholly owned subsidiary of Mainfreight Ltd it was entitled to rely on the goodwill of its parent and/or of the group. It pointed out that it shares the same key name MAINFREIGHT as Mainfreight NZ and Mainfreight Ltd. This name was exploited by the Mainfreight Group in its worldwide commercial activities. As Mainfreight Ltd/Mainfreight Group had enjoyed goodwill in Singapore since at least 1995 by which time they had worked with several destination agents in Singapore, the defence of prior/ concurrent user should apply to protect the defendant as well.

79 The plaintiff did not accept that either issue should be decided in the defendant's favour. It took the stand that Mainfreight Ltd had no goodwill in Singapore. As for Mainfreight Group, the plaintiff did not recognise the legal existence of any entity to which this term referred and stated that it was vague. It also submitted that various companies within the Mainfreight Group did not have any goodwill in Singapore.

80 In the discussion that follows, it may be helpful to bear in mind the observations of *Wadlow* on goodwill and corporate groups. At paras 3-166 to 3-167, the text states:

> **3-166** Corporate groups for present purposes are groups of companies ultimately under common ownership or control which are held out to the public in such a way as to emphasise that the group is a single enterprise. ...
>
> Corporate groups are no exception to the rule that goodwill as legal property must necessarily be owned by some identifiable person or persons. It is meaningless to speak of legal property which is not owned by anyone, or which is supposed to be distributed among a group of persons who do not own it individually, as joint tenants or as tenants in common. It is not often necessary to decide how goodwill is divided between the companies in the group, because intra-group disputes are unlikely to arise and in suing third parties it is normal to join as claimants every company with a plausible stake in the goodwill infringed.
>
> **3-167** The Court of Appeal has recently reasserted the importance of the distinction between parent and subsidiary in *Scandecor Development v Scandecor Marketing*:
>
> > "There is no rule of law or presumption of fact that the goodwill generated by the trading activities of a wholly owned subsidiary company belongs to the parent company or is the subject of an implied, if not an express, licence in favour of the subsidiary. It may happen, as observed by Oliver LJ in *Habib Bank Ltd v Habib Bank AG Zurich*, that the goodwill in the mark

is 'shared' in the sense that an internationally known business based abroad, which establishes a branch in this country as part of that international organisation, does not cease to be entitled to its existing goodwill because there is also a goodwill in the local branch. In that situation it would be correct to assert that the international organisation retains its existing 'international' goodwill and that the newly created branch or subsidiary company has a local goodwill in the business carried on by it in this country, at the very least for the purpose of protecting it against injury by third parties."

81 It therefore appears that my first task must be to determine which company if any in the Mainfreight Group (including Mainfreight Ltd) had goodwill in Singapore concurrently with that enjoyed by the plaintiff. In this exercise, it must be remembered that the plaintiff started carrying on business in Singapore under the MAINFREIGHT name in 1988. Whilst there is no defined period required for concurrent use to be established, in my judgment, for use of a trade name by a defendant to be concurrent with that of the plaintiff such use would have to commence either before or shortly after the plaintiff started using the name. In this case, therefore, I think that concurrent use would have to be shown from about 1990 at the latest.

82 The evidence showed that the defendant's parent company, Mainfreight Ltd, was set up in New Zealand as Mainfreight Transport Ltd in 1978. It was primarily a domestic trucking business and was not engaged in international freight forwarding. In 1996, Mainfreight Transport Ltd was listed on the New Zealand Stock Exchange and changed its name to Mainfreight Ltd. As Mainfreight Ltd did not engage in freight forwarding directly it could not have acquired any goodwill in Singapore. It was therefore not a concurrent user of the MAINFREIGHT name in Singapore at the material times.

83 I now consider other companies in the Mainfreight Group. Two of these can be dealt with quickly. The first is Mainfreight International Pty Ltd, an Australian company. This entity adopted its present name only in 2001, consequent upon a purchase of its shares by Mainfreight Ltd in 1998. Before that it was known as Intertraffic-TFI Pty Ltd. Since this Australian company only started using the MAINFREIGHT name in 2001, its use of the same was not concurrent with the plaintiff and I need not consider it further. The same goes for Mainfreight Inc, a company incorporated in one of the states of the United States. It adopted its present style only in 2008 after it was acquired by Mainfreight Ltd. It was previously known as Target Logistics.

84 The only company in the Mainfreight Group that, on the evidence before me, has used the name MAINFREIGHT for as long as the plaintiff is Mainfreight NZ. It was incorporated in New Zealand in 1984 and was owned by Mainfreight Ltd (then Mainfreight Transport Ltd) and a gentleman named Gerald Winston Plested in equal shares. Some years later, Mr Plested sold out and Mainfreight NZ became a wholly owned subsidiary of Mainfreight Ltd. The business of this company was international freight forwarding along various trade lanes including the New Zealand-Singapore trade lane and the transhipment of cargo through Singapore to and from other countries. In 1987, Mainfreight NZ appointed a Singapore company, Freight Management Pte Ltd, as its destination agent in Singapore. In 1989, another company was appointed Mainfreight NZ's exclusive destination agent in respect of airfreight cargo. Thereafter, there were some changes in the entities appointed but at all times Mainfreight NZ had destination agents in Singapore.

85 The defendant's case on the use of the mark MAINFREIGHT as shown in its defence was that for over 20 years, whenever cargo was shipped to Singapore by the Mainfreight Group (which I will take to be a reference to Mainfreight NZ as that was the company doing international shipments to Singapore from the 1980s), the name and mark were used in Singapore in at least one or more of the following ways:

(a) On the original bill of lading which was sent by the consignor to the Singapore consignee;

(b) A copy of the bill of lading issued by Mainfreight NZ would be sent to the Singapore destination agent; and

(c) Notification of arrival document containing the name MAINFREIGHT would be sent by the Singapore destination agent to the Singapore consignee.

86 Mr Plested was managing director of Mainfreight NZ from its incorporation until December 1997. In the course of his employment, he travelled to Singapore many times and met many Singapore companies who were customers or potential customers of Mainfreight NZ's Singapore destination agents. Mr Plested noted in evidence that Mr Er had alleged that as far as the Singapore consignor or consignee is concerned, the foreign freight forwarder (in the case of shipments to Singapore) or foreign destination agent (in the case of shipments from Singapore) would be of no concern as the Singapore consignee/consignor did business only with the Singapore destination agent or Singapore freight forwarder. Mr Plested disagreed with this. He asserted that the Singapore consignees/consignors would have been exposed to Mainfreight NZ and/or the Mainfreight Group's MAINFREIGHT name and/or marks in the course of trade in Singapore.

87 The plaintiff accepted that Mainfreight NZ had been using the MAINFREIGHT name since 1984. It did not, however, accept that Mainfreight NZ had goodwill as a result of the use of the name. It submitted that a distinction had to be made between the use of a name on documents and goodwill. Whilst MAINFREIGHT may have been used on bills of lading and arrival notices that did not *ipso facto* give Mainfreight NZ any goodwill in Singapore.

88 The question is whether the use of the name/mark MAINFREIGHT on documents that came into Singapore would in itself result in goodwill accruing to Mainfreight NZ in Singapore. In *Amanresorts*, the court commented at [60]:

> In the present case, even if the "Aman" names were generally known throughout the whole of Singapore, it would not necessarily mean that the Respondents have goodwill in those names to that extent. It must be recalled that goodwill, apart from being an association of a good, service or business with a particular source, must also be "[*an*] *attractive force which brings in custom*" [emphasis added] ... In other words, whether or not there is goodwill attached to a name also depends on whether or not there are any actual and/or potential customers of the goods, services or business marketed under that name.

89 The defendant, therefore, had to show that Mainfreight NZ had customers in Singapore who gave it business and who associated the MAINFREIGHT name/mark with the Mainfreight NZ for the purposes of using its services in freight forwarding transactions out of Singapore or in relation to cross trades. Whilst Mainfreight NZ may have sent a lot of cargo to Singapore, the evidence of it having goodwill here was sparse. Mr Plested, in his affidavit, spent much time explaining the importance of a destination agent for a foreign freight forwarder. He made annual visits to Singapore to appoint and maintain relations with its destination agents. He stated that during his visits he had "many business meetings for Singapore companies who were customers of potential customers of [Mainfreight NZ's] Singapore destination agents or counterparts". The description of the customers as being customers of the destination agents was significant. Mr Plested did not mention that he had met any persons who were direct customers of Mainfreight NZ. He also gave examples of shipments via the New Zealand-Singapore trade lane and this description also indicated cargo coming into Singapore from New Zealand and being delivered to the customer of the New Zealand consignor. All this showed good business for Mainfreight NZ in New Zealand and that it had good counterparts here

to carry out that business efficiently once the cargo arrived here. It did not show that customers from Singapore would use Mainfreight NZ's services directly.

90 In relation to shipments from Singapore to New Zealand, Mr Plested said that when such a shipment was being made, the bill of lading would be issued under the letterhead of the Singapore freight forwarder (who would likely be Mainfreight NZ's destination agent or counterpart) with a text box therein naming Mainfreight NZ as the destination agent or counterpart in New Zealand. According to the accepted practice in the trade, a copy of the bill of lading would be provided to the Singapore consignor. This evidence shows that Mainfreight NZ did have goodwill with its appointed destination agent and counterpart in Singapore when these entities acted as freight forwarders themselves. It does not show that it had goodwill with the customers of those freight forwarders. It appears to me that whilst such customers would have known, had they paid attention, that Mainfreight NZ was the destination agent in New Zealand by reason of the endorsement on the bill of lading, the evidence does not establish that the freight forwarder in Singapore was chosen because Mainfreight NZ was its destination agent. The freight forwarder could equally have been chosen because of its own goodwill with the customer in Singapore. Also, whilst it would be natural for Mainfreight NZ's destination agent in Singapore to use Mainfreight NZ's services in New Zealand when it had cargo for that destination and to that extent, goodwill accrued, there was no evidence that the MAINFREIGHT mark/name had goodwill outside the limited confines of Mainfreight NZ's Singapore destination agents. Indeed, there was no evidence that even after a particular company ceased to be the destination agent in Singapore, it still used Mainfreight NZ's services when shipping to New Zealand.

91 In this connection, it is relevant that one of Mr Plested's "colleagues" Mr John Hepworth, who was a director of Mainfreight Australia, another company in the Mainfreight Group, admitted to not having any evidence of Singapore companies doing business with Mainfreight Australia. In relation to Singapore, Mainfreight Australia, as a freight forwarder, carried on business in the same way as Mainfreight NZ but in respect of the Australia-Singapore trade lane. Mr Hepworth said that the goodwill that he was claiming was with his shippers who were consignors in Australia. He had no evidence of Singapore companies doing business directly with Mainfreight Australia. In respect of Mainfreight Australia, there was no evidence that in arrival notices issued to Singapore consignees, the MAINFREIGHT name appeared on the same. He also admitted that no promotion or advertisements were done in Singapore by the then destination agent Mac-Nels for Mainfreight Australia.

92 Mr Plested himself admitted during cross-examination that he had no supporting documents to show that Mainfreight NZ did freight forwarding from Singapore. He confirmed that Mainfreight NZ did not advertise in Singapore and did not have copies of any of the pamphlets that were allegedly made to promote Mainfreight NZ's name jointly with that of the destination agent. Like Mr Hepworth, Mr Plested was not able to produce arrival notices issued by its destination agent in Singapore that showed Mainfreight NZ's name on the same. It should be noted that in the case of shipments from New Zealand to Singapore, the bill of lading with Mainfreight NZ's name on it would be given to the destination agent who would in turn issue an arrival notice to the ultimate consignee who would see this document only, not the bill of lading. He also agreed that none of the persons that he had met in Singapore on his various business visits here were being called to support his evidence regarding the goodwill that Mainfreight NZ had allegedly garnered in Singapore.

93 Mr Geoff Sharman, the group administration manager of Mainfreight Ltd, also gave evidence. He testified as to the revenue that the Mainfreight Group had generated from its international freight business between Singapore and Australia, New Zealand and USA respectively. These figures also included transhipments from Australia, New Zealand and USA to and through Singapore to other countries and vice versa. As far as the New Zealand to Singapore trade lane was concerned, figures were given for the years from 2006 to 2011. In the year 2006/2007, the figure for "imports" was

$466,088 and for "exports" $212,701. Annual business seems to have fallen subsequently and at the end of 2011, the total figures for the period (including 2006/2007) were $665,403 for imports and $713,882 for exports. Mr Sharman admitted in court that this financial data was given to him and he had no personal knowledge about whether it was accurate. He had no documents to support the figures and did not know the breakdown of the same. He would not have been able to say whether any of the income emanating from exports from Singapore derived from customers who were not Mainfreight NZ's destination agent or counterpart.

94 Mainfreight NZ also called two of its customers to testify. The first was a Gary Dormer from Hydestor Manufacturing Ltd in New Zealand. He said that his company had sent goods to Singapore through Mainfreight NZ up to 2003 and had no documents before 2002. The second was Mr Anthony Kitchen whose company Reliance Worldwide Ltd of New Zealand had stopped using Mainfreight NZ to send goods to Singapore in 1994. Both these witnesses were not able to testify as to goodwill in Singapore.

95 The evidence adduced by the defendant went more to establishing that Mainfreight NZ had some amount of reputation in Singapore albeit limited to its destination agents/counterparts and the customers of those entities. The evidence that it had actual goodwill in Singapore was much weaker. In *Wadlow* at 9-115, the view was expressed that if a foreign defendant has no goodwill in the jurisdiction, then he can rely on bare reputation only if his reputation is strong enough to negate that of the claimant. Otherwise, the defendant may have a defence only if he can claim a concurrent goodwill in the jurisdiction which would only be the case if he has customers here. On balance, I find that the defendant has not established that Mainfreight NZ had enough customers in Singapore to generate more than a negligible goodwill during the period in question bearing in mind that all that time the plaintiff was in business and using the MAINFREIGHT name among the relevant sector of the public. What goodwill Mainfreight NZ had would have been derived from its business relationship with its destination agents/counterparts in Singapore from time to time and was therefore within a very small compass.

96 If I had found Mainfreight NZ had concurrent goodwill, I would have had to consider the issue of whether such concurrent goodwill entitled the defendant as another member of the Mainfreight Group to now use the same name and mark in Singapore even if such use amounted to passing off. The defendant is not a branch or subsidiary of Mainfreight NZ. Its own holding company does not enjoy any goodwill in Singapore. The plaintiff submitted that as the defendant had no corporate connection with Mainfreight NZ other than the fact that both are subsidiaries of Mainfreight Ltd, any goodwill accruing to Mainfreight NZ could not be passed on to the defendant. There is no direct authority on whether a sister company in a group can enjoy the goodwill of a foreign member of the group. As it is not necessary for me to decide it, I express no concluded opinion thereon.

Conclusion

97 In view of my findings above, there will be judgment for the plaintiff as follows:

(a) An injunction is granted restraining the defendant, whether by itself, its officers, servants or agents or any of them or otherwise howsoever, from doing the following acts or any of them, that is to say, passing off by using for the defendant's services in the business of freight forwarding, packing and crating (the "Defendant's Services") the trade name MAINFREIGHT (including Mainfreight in small letters) or any other name colourably similar to MAINFREIGHT as the defendant's trade name or cause, enable or assist others to pass off the Defendant's Services in the manner described above;

(b) An injunction is granted restraining the defendant, whether by itself, its officers, servants or agents or any of them or otherwise howsoever, from doing the following acts or any of them, that is to say, passing off by providing, offering to provide or advertising the Defendant's Services which are not the services of the plaintiff as and for the services of the plaintiff or as being connected to or associated with the plaintiff by using for, with or in connection with the Defendant's Services in the course of trade the trade mark MAINFREIGHT (including Mainfreight in small letters) or any other mark colourably similar to MAINFREIGHT or cause, enable or assist others to pass off the Defendant's Services in the manner described above;

(c) There shall be an inquiry as to the damages suffered by the plaintiff or an account of the profits made by the defendant from all the alleged acts of passing off and the defendant shall pay the plaintiff all sums found due upon the inquiry;

(d) The defendant shall deliver up to the plaintiff and/or its solicitors within 14 days hereof all articles bearing the word MAINFREIGHT (including Mainfreight in small letters) that are in the possession, custody or control of the defendant, its servants or agents or any of them, the continued retention and/or use or intended use of which would be a breach of the injunction orders made herein.

(e) The defendant shall make full discovery of all its acts of passing off.

(f) The defendant shall within 14 days hereof take steps to change its company name, domain name and email addresses to one which does not have the word MAINFREIGHT (including Mainfreight in small letters) or any word colourably similar.

(g) The parties shall have liberty to apply in regard to the implementation of this judgment.

98 The defendant shall pay the plaintiff's costs of this action as taxed or agreed.

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