IN THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

[2016] SGHC 214

Suit No 1102 of 2015 (Summons No 388 of 2016)

Between

(1) Calvin Klein, Inc
(2) Calvin Klein Trademark Trust

… *Plaintiffs*

And

(1) HS International Pte Ltd
(2) Global PSM Pte Ltd
(3) Tan Keng Hiang Jeffrey

… *Defendants*

JUDGMENT

[Trade marks and trade names] – [Internet] – [Online sale and purchase]

[Trade marks and trade names] – [Infringement] – [Double identity]

[Trade marks and trade names] – [Infringement] – [Use of a sign] – [Offering goods for sale]

[Trade marks and trade names] – [Infringement] – [Defence]

[Civil procedure] – [Summary judgment]

TABLE OF CONTENTS

INTRODUCTION **1**

FACTS **2**

THE PLAINTIFFS 2

THE DEFENDANTS 5

THE SGBUY4U WEBSITE 6

Searching for desired goods on the SGbuy4u Website *7*

Payment for goods by user *9*

User Agreement and other information for users on the SGbuy4u Website *10*

Services provided by the SGbuy4u Business after user's payment *11*

THE FIRST SAMPLE PURCHASE 14

THE SECOND SAMPLE PURCHASE AND THE RAID 16

COMMENCEMENT OF ACTION 19

THE CLAIM AND THE DEFENCE **19**

THE PLAINTIFFS' CASE 19

The trade marks allegedly infringed *20*

Involvement of the Defendants *21*

THE DEFENDANTS' CASE 22

The individual Taobao sellers, not the Defendants, committed the infringement *22*

The First and Third Defendants have little involvement with the SGbuy4u Business or Website *23*

There are triable issues of fact and law *24*

THE RELEVANT LEGAL PRINCIPLES 24

TRADE MARK INFRINGEMENT UNDER S 27(1) OF THE ACT 25

SUMMARY JUDGMENT 26

THE KEY ISSUES FOR DETERMINATION 27

THE REQUIREMENT OF DOUBLE IDENTITY UNDER S 27(1) OF THE ACT 27

THE LAW 27

MY FINDINGS 29

WHETHER THE SIGNS HAVE BEEN "USE[D]" UNDER SS 27(1) AND (4) OF THE ACT 31

OFFERING GOODS FOR SALE: S 27(4)(B) 32

As a courier or freight forwarding service 34

As a customer-to-customer (C2C) platform facilitating the sale and purchase of goods 35

As a service that procures and conveys the desired good (without sale) to the user 37

(1) Two instances of sale and purchase 38

(2) How the SGbuy4u Business generates profit 40

As a seller of goods advertised on the Taobao Website 42

IMPORTING GOODS UNDER THE SIGN AND USING THE SIGN IN ADVERTISING: SS 27(4)(C) AND (E) 44

WHICH, IF ANY, OF THE DEFENDANTS CARRIED OUT THE INFRINGING USE 44

THE SECOND DEFENDANT 44

The parties' submissions 45

My finding 46

THE FIRST DEFENDANT 46

The parties' submissions *46*

My finding *48*

THE THIRD DEFENDANT 50

The parties' submissions *50*

My finding *52*

FURTHER ISSUES 53

SECONDARY TRADE MARK INFRINGEMENT 53

WHETHER INNOCENCE IS A DEFENCE IN AN ACTION FOR TRADE MARK INFRINGEMENT 57

CONCLUSION 58

This judgment is subject to final editorial corrections approved by the court and/or redaction pursuant to the publisher's duty in compliance with the law, for publication in LawNet and/or the Singapore Law Reports.

Calvin Klein, Inc and another
v
HS International Pte Ltd and others

[2016] SGHC 214

High Court — Suit No 1102 of 2015 (Summons No 388 of 2016)
Chan Seng Onn J
18 March; 23 May; 25 July 2016

3 October 2016 Judgment reserved.

Chan Seng Onn J:

Introduction

1 New technologies often present new business opportunities. Access to the Internet, which is now ubiquitous in highly-connected Singapore, has opened up fresh markets for entrepreneurs keen to connect sources of demand with sources of supply. The reach and availability of the Internet, coupled with the efficiency and low cost of modern freight transport, has facilitated the sale and purchase of goods online and the corresponding success of international shopping websites and online marketplaces, such as eBay, Amazon, Taobao and 65daigou. Concurrently, there is a pressing need for intellectual property law to keep up with technological advances in order to ensure that the law continues to protect intellectual property and rights-owners in real and relevant ways. As observed in a leading local textbook, "[n]ever in the field of trade

mark law has a technical development caused so much concern to so many people as the Internet" (Tan Tee Jim SC, *Law of Trade Marks and Passing Off in Singapore* vol 2 (Sweet & Maxwell, 3rd Ed, 2014) at para 20.001).

2 In the present dispute, the Plaintiffs have sued the Defendants for trade mark infringement carried out on a website, sgbuy4u.com ("the SGbuy4u Website"). When a user in Singapore selects and makes payment for a desired good on the SGbuy4u Website, the operators of the business then place a corresponding order on the well-known Chinese online shopping website Taobao.com ("the Taobao Website"), make payment for the good on the Taobao Website, receive delivery in the People's Republic of China ("PRC") and thereafter freight the good to Singapore. After carrying out two sample purchases on the SGbuy4u Website, the Plaintiffs commenced an action against the Defendants, claiming that trade mark infringing goods were offered for sale on the SGbuy4u Website. Many of the material facts concerning the manner in which the business was carried out through the SGbuy4u Website are undisputed. The crux of the dispute lies in the proper characterisation of the business, and the involvement of each of the Defendants in those business activities.

3 The Plaintiffs have filed an application for summary judgment against the Defendants, and this is my judgment on the application. I will begin with the facts.

Facts

The Plaintiffs

4 Calvin Klein, Inc ("the First Plaintiff") is a corporation organised and existing under the laws of the State of New York. It has its place of business at

Version No 1: 27 Oct 2020 (22:40 hrs)

205 West 39th Street, New York, New York, 10018, United States of America.[1] The First Plaintiff is a leading fashion design and marketing company. It designs and markets women's and men's designer collection apparel and a range of other goods worldwide.[2]

5 Calvin Klein Trademark Trust ("the Second Plaintiff") is a business trust organised under the laws of the State of Delaware. It is located at Rodney Square North, 110 North Market Street, Wilmington, Delaware, 19890, United States of America, and has its mailing address at the place of business of the First Plaintiff.[3] The Second Plaintiff is the registered proprietor in Singapore of, *inter alia*, the following trade marks:[4]

No	Trade Mark	Trade Mark No	Class
1	Calvin Klein	T9508647F	16
	Goods: Patterns; paper, stationery; printed materials; gift wraps; drawer and shelf liners; all included in class 16.		
2	cK	T9601574B	16
	Goods: Patterns for making clothes; paper; stationery; printed material; gift wrap; drawer and shelf liners of paper; all included in Class 16.		
3	Calvin Klein	T9508648D	18

1 Statement of Claim (Amendment No. 1) at [2].

2 Statement of Claim (Amendment No. 1) at [5].

3 Statement of Claim (Amendment No. 1) at [1].

4 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at [8] and pp43 to 57.

Version No 1: 27 Oct 2020 (22:40 hrs)

	Goods: Articles made of leather; women's handbags, wallets, key cases, change purses, cosmetics bags and pouches, portfolios, suit bags, trunks, suit cases, toiletry bags, umbrellas, billfolds, duffle bags, tote bags, brief cases and attache cases, luggage, overnight cases, credit card holders, business card holders, and eye glass cases.		
4	cK	T9601575J	18
	Goods: Handbags, wallets, key cases, change purses, cosmetics bags and pouches, portfolios, suit bags, trunks, suit cases, toiletry bags, umbrellas, billfolds, duffel bags, tote bags, briefcases and attache cases, luggage, overnight cases, credit card holders, business card holders, eyeglass cases; all included in Class 18.		
5	Calvin Klein	T9508652B	25
	Goods: Clothing, Jump suits; shirts; blouses; jackets; bathing suits; pants; shorts; warm-up suits; capes; jeans; suits; rainwear, ties; socks; stockings/tights; hats; over coats; sweaters; skirts; coats; coats; furs (clothing); vests; t-shirts; beach and swimming wraps; ponchos; tops (clothing); shoes; sport shoes; boots, slippers, blazers, belts, gloves, dresses, scarves, shawls, underclothing, underwear, sleepwear, briefs, boxer shorts, robes, pyjamas, wraps, negligees, corsets (underclothing), foundation garments, brassieres, girdles, garters, corselets, body stockings, camisoles, leotards, culottes, bikinis, slips, chemises, teddies (undergarment), nightwear, rompers, caftans, dressing gowns, kimonos, housecoats, leggings; all included in class 25.		
6	cK	T9601579C	25
	Goods: Women's, men's, boys and girls wearing apparel, namely, shirts, T-shirts, jump suits, tank tops, blouses,		

Version No 1: 27 Oct 2020 (22:40 hrs)

	jackets, bathing suits, beach and swimming cover-ups, pants, dresses, shorts, walking shorts, skirts, jeans, gloves, suits, sports jackets, blazers, dinner jackets, belts, socks, stockings, tights, hats, jackets, coats, and vests, sweaters, fur coats, fur trimmed coats, shearling coats, shearling jackets, rainwear, raincoats, capes, ponchos, shoes, boots, slippers, tennis and golf dresses, tennis and golf shorts, warm-up suits, scarves, shawls, ties and handkerchiefs.

I will refer to these trade marks collectively as "the CK Marks".

6 The Second Plaintiff has appointed the First Plaintiff as its agent to take any and all action as may be deemed necessary to enforce the legal title in the trade marks owned by the Second Plaintiff, including the CK Marks.[5]

The Defendants

7 HS International Pte Ltd ("the First Defendant") is a Singapore-incorporated company bearing company registration number 200909445C. It was registered by Tan Keng Hiang Jeffrey ("the Third Defendant") on 28 May 2009[6] and its registered address is No. 48 Toh Guan Rd East, #09-116, Enterprise Hub, Singapore 608586. According to the Defendants, the First Defendant is a freight forwarding company providing business-to-business logistic services for various types of business entities.[7]

8 Global PSM Pte Ltd ("the Second Defendant") is also a Singapore-incorporated company and was registered by the Third Defendant on 12 July 2012.[8] It bears the company registration number 201217291W and has its

5 Statement of Claim (Amendment No. 1) at [3].

6 Defence (Amendment No. 1) at [12(b)].

7 Affidavit of Tan Keng Hiang Jeffrey dated 17 February 2016 at [11].

8 Defence (Amendment No. 1) at [12(e)].

Version No 1: 27 Oct 2020 (22:40 hrs)

registered address at No. 48 Toh Guan Rd East, #09-138, Enterprise Hub, Singapore 608586. The Defendants claim that the Second Defendant provides customer-to-customer logistic services.[9]

9 The Third Defendant is the sole shareholder and director of both the First and Second Defendants.[10]

The SGbuy4u Website

10 The SGbuy4u Website was registered by the Third Defendant. It is undisputed that the Third Defendant is the registrant as well as the administrative and technical contact of the SGbuy4u Website.[11]

11 The SGbuy4u Website is the central feature in the Plaintiffs' suit against the Defendants (and in this summary judgment application) and thus its purpose and functions bear closer examination. The Plaintiffs have tendered screenshots of the SGbuy4u Website in their affidavits,[12] from which the layout and operation of the SGbuy4u Website can be observed. The Defendants have not challenged the accuracy or legitimacy of these screenshots and have in fact tendered further screenshots of their own,[13] which I will also refer to. At this juncture, it suffices for me to provide a general overview of the SGbuy4u Website. I will describe in greater detail the relevant

---

9 Affidavit of Tan Keng Hiang Jeffrey dated 17 February 2016 at [16].

10 Statement of Claim (Amendment No. 1) at [22]; Defence (Amendment No. 1) at [12].

11 Statement of Claim (Amendment No. 1) at [23]; Defence (Amendment No. 1) at [13]; Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at pp64 to 65; Affidavit of Tan Keng Hiang Jeffrey dated 17 February 2016 at [35].

12 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at MS-8; Affidavit of Krishna s/o Mahendar Singh dated 12 January 2016 at KMS-1.

13 Affidavit of Tan Keng Hiang Jeffrey dated 6 April 2016 at Tabs 1-6.

Version No 1: 27 Oct 2020 (22:40 hrs)

features of the SGbuy4u Website and the parties' submissions thereon when considering the disputed issues.

Searching for desired goods on the SGbuy4u Website

12 The SGbuy4u Website is an e-commerce platform on which users can search for and purchase a wide variety of goods. The goods available range from apparel, bags, shoes and health products to electronic goods, toys and games.[14] Users can enter descriptions of desired goods into the search bar or they can browse categories of goods using a drop-down menu at the top of the webpage. At first glance, the SGbuy4u layout and interface resembles those of online marketplaces such as eBay and Amazon. Anyone who is familiar with such websites will likely have no difficulty navigating the SGbuy4u interface.

13 Once the user runs a search for a desired good, the user is then brought to a results page. The following screenshot provides an illustration:[15]

---

14 Defence (Amendment No. 1) at [12(k)].

15 Affidavit of Tan Keng Hiang Jeffrey dated 6 April 2016 at p37.

Version No 1: 27 Oct 2020 (22:40 hrs)

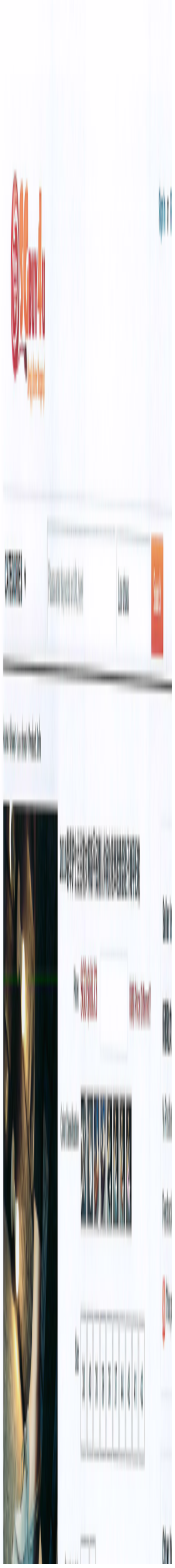
Version No 1: 27 Oct 2020 (22:40 hrs)

Figure 1: Example of results page

14 After the user selects a result, he is brought to another page that gives him more information and photographs of the chosen good. This page also provides the user the option to purchase the product by clicking on the buttons "Buy Now" or "Add to Cart", after he selects the desired specifications such as colour, size, quantity and delivery method. The following screenshot provides an example of such a product page:[16]

[16] Affidavit of Tan Keng Hiang Jeffrey dated 6 April 2016 at p38.

Version No 1: 27 Oct 2020 (22:40 hrs)



Version No 1: 27 Oct 2020 (22:40 hrs)

Figure 2: Example of product page

Payment for goods by user

15 Before the user can purchase the desired good, he must first be registered as a member on the SGbuy4u Website.[17] Once the item has been added to the user's cart, he can then checkout his order and make payment either through PayPal or an "E-Wallet" provided on the SGbuy4u Website.

16 The "E-Wallet" option enables the user to make payment by cash deposit or inter-bank transfer.[18] To make payment out of the user's "E-Wallet", the user will need to top up his available balance by logging in to the "Member Center" on the SGbuy4u Website, accessing the link "My E-Wallet" and making a bank transfer to "Global PSM Pte Ltd" (*ie*, the Second Defendant). The balance in the user's "E-Wallet" will then be topped up within 24 hours.[19] If the user wishes to make payment through PayPal, such payment is made also to "Global PSM Pte Ltd".[20] The Defendants accept that payment for goods on the SGbuy4u Website is made to the Second Defendant.[21]

User Agreement and other information for users on the SGbuy4u Website

17 At the bottom of the homepage of the SGbuy4u Website are a number of hyperlinks ("the Information Hyperlinks") that provide the user with more

---

17 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at [22]; Affidavit of Krishna s/o Mahendar Singh dated 12 January 2016 at [13]; Affidavit of Tan Keng Hiang Jeffrey dated 6 April 2016 at [11].

18 Affidavit of Tan Keng Hiang Jeffrey dated 21 July 2016 at p24.

19 Affidavit of Tan Keng Hiang Jeffrey dated 21 July 2016 at p28.

20 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at p99-101; Affidavit of Krishna s/o Mahendar Singh dated 12 January 2016 at KMS-1.

21 Defence (Amendment No. 1) at [12(l)].

Version No 1: 27 Oct 2020 (22:40 hrs)

information about the services available to the user. One of these hyperlinks directs the user to a webpage titled "User Agreement" ("the User Agreement") that purports to describe "the terms on which SGbuy4u.com offers [the user] access to [its] services".[22]

18 All the information from the Information Hyperlinks, including the User Agreement, has been provided by the Defendants through affidavit[23] and the Plaintiffs have not raised material objections to their admission. I will refer to relevant portions of this information where necessary.

Services provided by the SGbuy4u Business after user's payment

19 It is not disputed that the Defendants do not themselves manufacture the goods displayed on the SGbuy4u Website. Rather, these goods are obtained from sources in the PRC. As there is a material dispute on the identity of the legal entity or entities that operate and provide the facilities offered to the user on the SGbuy4u Website, I will refer to such entity or entities (singularly or collectively, as may be appropriate) as "the SGbuy4u Business". I emphasise that the term "the SGbuy4u Business" is a neutral designation which I use purely for reasons of convenience, without pre-judgment on the attribution of liability (if liability is found) to any of the Defendants, be it a company or a natural person.

20 The Defendants have described the SGbuy4u Website as a "mirror website" of the Taobao Website.[24] On the Taobao Website, individual Chinese sellers post listings or product advertisements consisting of photographs and

---

22 Affidavit of Tan Keng Hiang Jeffrey dated 21 July 2016 at p29.

23 Affidavit of Tan Keng Hiang Jeffrey dated 21 July 2016 at TKHJ-1.

24 Affidavit of Tan Keng Hiang Jeffrey dated 6 April 2016 at [6].

Version No 1: 27 Oct 2020 (22:40 hrs)

written descriptions of the goods they wish to sell.[25] As explained by counsel for the Defendants, Taobao does not deliver goods directly to Singapore.[26] The parties agree that the listings found on the SGbuy4u Website are also listings found on the Taobao Website. The reason is that the listings on the SGbuy4u Website are taken from the Taobao Website.[27] It is in this sense that the SGbuy4u Website is described as a "mirror website" of the Taobao Website.

21 The parties further agree that after the Second Defendant receives payment from the user, the SGbuy4u Business then places an order for the selected good on the Taobao Website and makes payment for the good to the individual Taobao seller.[28] Thereafter, the good is delivered by the Taobao seller to a warehouse in Guangzhou, PRC used by the SGbuy4u Business.[29] A representative of the SGbuy4u Business then checks that the good delivered by the Taobao seller is of the right specification, colour, size and quantity, in accordance with the user's order on the SGbuy4u Website.[30] Following this, the SGbuy4u Business transports the good to its warehouse in Singapore. The good is then either delivered to the user's doorstep or collected by the user at the warehouse.[31]

---

25 See, for instance, Affidavit of Tan Keng Hiang Jeffrey dated 6 April 2016 at pp34 and 39.

26 Plaintiffs' submissions dated 22 April 2016 at [11(iii)] and [14].

27 Plaintiffs' submissions dated 23 May 2016 at [7].

28 Affidavit of Tan Keng Hiang Jeffrey dated 6 April 2016 at [10(iv)] and [21]; Plaintiffs' submissions dated 22 April 2016 at [11(iii)].

29 Affidavit of Tan Keng Hiang Jeffrey dated 6 April 2016 at [10(v)].

30 Affidavit of Tan Keng Hiang Jeffrey dated 6 April 2016 at [22].

31 Affidavit of Tan Keng Hiang Jeffrey dated 6 April 2016 at [25] and [26]; Plaintiffs' submissions dated 22 April 2016 at [11(v)].

Version No 1: 27 Oct 2020 (22:40 hrs)

22 The Defendants have exhibited a flow chart ("the Flow Chart") which they claim illustrates the order procedure operated by the SGbuy4u Business.[32] The Flow Chart is also found on the SGbuy4u Website by accessing one of the Information Hyperlinks. I reproduce the Flow Chart here:

Figure 3: The Flow Chart

23 The Plaintiffs submit that the first step in the Flow Chart "1) Shop at Taobao" is inaccurate because the user in Singapore does not interact with the Taobao Website at any point in time. The user places his order and makes his purchase on the SGbuy4u Website, not on the Taobao Website.[33] The Defendants contend that the Flow Chart is accurate and that the user "shops at

---

32 Affidavit of Tan Keng Hiang Jeffrey dated 21 July 2016 at p4.

33 Plaintiffs' submissions dated 23 May 2016 at [8].

Version No 1: 27 Oct 2020 (22:40 hrs)

Taobao, and not at sgbuy4u".[34] I flag this disagreement at this point due to its proximity to the Flow Chart, but I will explain its relevance within the larger dispute between the parties subsequently.

The First Sample Purchase

24 On 26 June 2015, the Plaintiffs instructed Spyrrus Pte Ltd ("Spyrrus") to carry out a sample purchase ("the First Sample Purchase") from the SGbuy4u Website. On 30 June 2015, a representative from Spyrrus registered as a member on the SGbuy4u Website[35] and proceeded to purchase the following items:

(a) one wallet with the description "CK genuine men leather wallet Commerce Korean folder cross-section Lightning grain tide men short Wallet Leather Wallet" for S$18.82;[36]

(b) one belt with the description "CK counter genuine purchasing men's smooth leather belt buckle waistband pure leather Buckle Mens Business wild" for S$19.10;[37] and

(c) one box of underwear with the description "CK men's underwear pants ice silk cotton U convex modal briefs boxers Gift Box genuine mail" for S$28.39.[38]

---

34 Defendants' submissions dated 16 May 2016 at [40].

35 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at [22].

36 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at p89.

37 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at p90.

38 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at p91.

Version No 1: 27 Oct 2020 (22:40 hrs)

The Spyrrus representative paid a total of S$90.51 for the First Sample Purchase.[39] This included the sums of S$13.50 for international shipping by air freight and S$6.82 for delivery fees within the PRC, as well as a PayPal service charge of S$3.88.[40] On the PayPal payment webpage, the payee was indicated as "Global PSM Pte Ltd" and the payee's contact number was stated as "63166314".[41]

25 On 21 July 2015, the Spyrrus representative called the number "63166314" to follow up on the First Sample Purchase, and was requested to collect the goods from No. 48 Toh Guan Rd East, #09-116, Enterprise Hub, Singapore ("the Enterprise Hub Unit"). The goods were collected from the Enterprise Hub Unit on the same day.[42] The Plaintiffs have taken and exhibited photographs of the goods collected pursuant to the First Sample Purchase. These goods and the relevant signs found on them can be summarised as follows:

No	Good	Sign applied on good	Sign applied on packaging
1	Wallet	"Calvin Klein" on front cover and interior lining of wallet[43]	"Calvin Klein" on paper bag
2	Belt	"ck" and "Celvin Kain" on belt[44]	"ck" and "Celvin Kain" on box

39 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at p101.

40 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at p98.

41 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at [27] and pp101-102.

42 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at [28] to [30].

43 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at pp110-112.

Version No 1: 27 Oct 2020 (22:40 hrs)

			cover and paper bag; "ck" and "Calvin Kain" on hang tag
3	Three pieces of underwear contained within a box	"Calvin Klein" on exterior and interior of each underwear band[45]	"ck" on box cover

The Second Sample Purchase and the raid

26 The Plaintiffs subsequently instructed a freelance investigator to make another sample purchase ("the Second Sample Purchase") from the SGbuy4u Website. The freelance investigator registered as a member[46] and proceeded to purchase the following items:[47]

(a) one belt with the description "CK Men's leather belt Korean wild youth fashion casual simplicity smooth leather business belt buckle tide" for S$10.62;

(b) five boxes of underwear with the description "CK men's boxer underwear cotton modal triangle corners of the ice silk sexy red tide transparent lovers gift boxes" for S$15.10 per box;

(c) fifteen boxes of underwear with the description "CK men's boxer underwear cotton modal triangle corners of the ice silk sexy red tide transparent lovers gift boxes" for S$15.10 per box; and

---

44 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at pp105-106.

45 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at pp107-109.

46 Affidavit of Krishna s/o Mahendar Singh dated 12 January 2016 at [13].

47 Affidavit of Krishna s/o Mahendar Singh dated 12 January 2016 at KMS-1.

Version No 1: 27 Oct 2020 (22:40 hrs)

(d) one wallet with the description "Authentic ck men's leather wallet clip couple European Korean short wallet leather weave pattern leather wallet" for S$11.83.

The total amount paid for the Second Sample Purchase was S$430.07, including air freight charges. Payment was made to "Global PSM Pte Ltd" via PayPal.[48] On 20 July 2015, the freelance investigator received an email from the email address "cs@sgbuy4u.com" notifying him that his goods were ready for collection. He replied on 4 August 2015, saying that he would collect the goods within the next two weeks. The freelance investigator then informed the Plaintiffs about the email exchange and was told that the Plaintiffs intended to apply for a search warrant in respect of the Enterprise Hub Unit.

27 On 14 August 2015, the Plaintiffs' representatives and a team of officers from the Intellectual Property Rights Branch of the Criminal Investigation Department of the Singapore Police Force conducted a raid at the Enterprise Hub Unit and the neighbouring unit (*ie*, unit number #09-117).[49] The following goods with relevant signs were seized during the raid:

No	Good	Sign applied on good	Sign applied on packaging (if any)
1	One belt	"ck" on belt buckle[50]	N.A.
2	20 boxes each	"Calvin Klein" on	"ck" and "Calvin

48 Affidavit of Krishna s/o Mahendar Singh dated 12 January 2016 at [15].

49 Affidavit of Krishna s/o Mahendar Singh dated 12 January 2016 at [23].

50 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at p116.

51 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at pp114-115.

52 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at p114.

53 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at pp115-116.

Version No 1: 27 Oct 2020 (22:40 hrs)

	containing five pieces of underwear	exterior and interior of each underwear band[51]	Klein" on box cover[52]
3	One wallet	"Calvin Klein" on front cover and interior lining of the wallet[53]	"Calvin Klein" on box cover[54]
4	22 paper bags	"ck" and "Cailin Kenli" on 20 of the 22 bags; "Calvin Klein" on the remaining 2 bags (which are white and black in colour)[55]	N.A.

28 It is undisputed that the Plaintiffs did not authorise or license the application of any of the CK Marks to any of the goods purchased and collected following the First Sample Purchase or those seized during the raid. According to the Plaintiffs, the goods did not originate from the Plaintiffs and were generally of poor quality.[56] For instance, the Plaintiffs submit that the words "Calvin Klein" on the front cover of the wallet obtained from the First Sample Purchase lack clarity and the material used to construct the wallet has a rough texture and does not feel like genuine leather.[57]

Commencement of action

29 On 28 October 2015, the Plaintiffs commenced Suit No 1102 of 2015 ("S 1102/2015") against the Defendants, seeking, *inter alia*, an inquiry as to

54 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at p115.

55 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at pp116-117.

56 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at [33] and [39].

57 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at [33(1)].

Version No 1: 27 Oct 2020 (22:40 hrs)

damages[58] against the Defendants for trade mark infringement under ss 27(1) and (2) of the Trade Marks Act (Cap 332, 2005 Rev Ed) ("the Act") and an injunction restraining the Defendants from further infringement.[59] On 26 January 2016, the Plaintiffs filed Summons No 388 of 2016 ("SUM 388/2016"), applying under O 14 of the Rules of Court (Cap 322, R 5, 2014 Rev Ed) ("the Rules of Court") for summary judgment in respect of S 1102/2015.

The claim and the defence

30 At this juncture, it is appropriate for me to simply provide an overview of the parties' respective cases. I will set out the parties' submissions and evidence in greater detail when I identify the key issues for my determination and consider those issues in depth.

The Plaintiffs' case

31 Although the Plaintiffs' claim in S 1102/2015 against the Defendants for trade mark infringement was brought on the alternative bases of ss 27(1) and (2) of the Act, the Plaintiffs have limited their claim for the purposes of the summary judgment application in SUM 388/2016 to that for infringement under s 27(1) of the Act only.[60]

---

58 Statement of Claim (Amendment No. 1) at [32(5)].

59 Statement of Claim (Amendment No. 1) at [32(1)].

60 Plaintiffs' submissions dated 15 March 2016 at [60].

Version No 1: 27 Oct 2020 (22:40 hrs)

The trade marks allegedly infringed

32 The Plaintiffs submit that the goods collected following the First Sample Purchase as well as those seized during the raid on 14 August 2015 are trade mark infringing goods. The Plaintiffs have provided particulars in the following table (adapted and reproduced here from the Plaintiffs' submissions) on the trade marks infringed in relation to the goods from the First Sample Purchase:[61]

No	Good	Sign applied on good	Sign applied on packaging (if any)	Trade mark used without authorisation
1	Wallet	"Calvin Klein" on front cover and interior lining of wallet	"Calvin Klein" on paper bag	"Calvin Klein" in T9508647F (Class 16) and T9508648D (Class 18)
2	Belt	"ck" and "Celvin Kain" on belt	"ck" and "Celvin Kain" on box cover and paper bag; "ck" and "Calvin Kain" on hang tag	"ck" in T9601574B (Class 16) and T9601579C (Class 25); "Calvin Klein" in T9508647F (Class 16) and T9508652B (Class 25)
3	Three pieces of underwear contained within a box	"Calvin Klein" on exterior and interior of each underwear band	"ck" on box cover	"ck" in T9601574B (Class 16) and T9601579C (Class 25); "Calvin Klein" in

61 Plaintiffs' submissions dated 15 March 2016 at [25].

Version No 1: 27 Oct 2020 (22:40 hrs)

				T9508652B (Class 25)

The Plaintiffs submit that infringement has also occurred with respect to the goods seized during the raid on 14 August 2015, without providing more particulars about which trade mark has been infringed in relation to each seized good.[62] I note that the Defendants have not raised objections in this regard, and this issue is, in my view, not material given the similarity of the seized goods (and the signs applied thereon) to those obtained from the First Sample Purchase.

Involvement of the Defendants

33 The Plaintiffs argue that both the First and Second Defendants work closely in operating the SGbuy4u Website.[63] They are also closely related because they have a sole and common director and shareholder, *ie*, the Third Defendant.[64] The Plaintiffs claim that the Third Defendant is the "sole operating mind" of both the First and Second Defendants and is involved in the management and/or operation of the Second Defendant.[65]

The Defendants' case

34 There are two primary limbs to the defence. Under the first limb of the defence, the Defendants argue that any liability for trade mark infringement should accrue to the individual sellers on the Taobao Website rather than to

---

62 Plaintiffs' submissions dated 15 March 2016 at [29]; Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at [36].

63 Plaintiffs' submissions dated 15 March 2016 at [15].

64 Plaintiffs' submissions dated 15 March 2016 at [14].

65 Plaintiffs' submissions dated 15 March 2016 at [17] and [44(viii)].

Version No 1: 27 Oct 2020 (22:40 hrs)

themselves. Under the second limb, the Defendants deny that the First or Third Defendants are involved in the SGbuy4u Business or Website. Accordingly, it is clear that if the second but not the first limb of the defence is successful, only the First and Third Defendants, but not the Second Defendant, will be exonerated from liability. The Defendants concede that the Second Defendant is the entity that operates the SGbuy4u Website.[66] The Second Defendant's endeavour to avoid liability for trade mark infringement thus rests on the first limb of the defence.

The individual Taobao sellers, not the Defendants, committed the infringement

35 According to the Defendants, the individual sellers on the Taobao Website are liable for infringement of the CK Marks, not the Defendants.[67] These individual Taobao sellers are the parties who advertised and sold the infringing goods.[68]

---

66 Defendants' submissions dated 15 March 2016 at [22].

67 Defendants' submissions dated 15 March 2016 at [27].

68 Defendants' submissions dated 21 April 2016 at [4] and [9].

Version No 1: 27 Oct 2020 (22:40 hrs)

36 The SGbuy4u Website is merely "a platform for buyers to order goods on Taobao.com via sgbuy4u.com".[69] It is an e-commerce platform that is "like many other such platforms [on] the Internet, for example, ebay.com, 65daigou.com, taobao.com, carousell.com, etc."[70] The Second Defendant can be characterised as (i) a "courier", much like FedEx, DHL or SingPost, which merely provides international freight forwarding services;[71] or (ii) an "intermediary" that provides the platform for buyers to order goods on the Taobao Website via the SGbuy4u Website.[72] It is not a seller or reseller.[73] None of the Defendants are involved in promoting or selling any good on the SGbuy4u Website.[74]

The First and Third Defendants have little involvement with the SGbuy4u Business or Website

37 The Defendants claim that the First and the Second Defendants are separate entities unconnected in terms of the management of their businesses and/or operations, except that the Third Defendant "happens to be a director and shareholder in both companies".[75]

38 The Third Defendant is involved in the management and operations of the First Defendant but not the Second Defendant.[76] He registered the domain

---

69 Defendants' submissions dated 16 May 2016 at [35].

70 Defendants' submissions dated 15 March 2016 at [9].

71 Defendants' submissions dated 15 March 2016 at [37(vi)] and [38]; Defendants' submissions dated 16 May 2016 at [18], [24], [25], [27], [28], [40] and [41].

72 Defendants' submissions dated 16 May 2016 at [35].

73 Defendants' submissions dated 16 May 2016 at [18] and [41].

74 Defendants' submissions dated 21 April 2016 at [16]; Defendants' submissions dated 16 May 2016 at [16] and [18].

75 Defendants' submissions dated 15 March 2016 at [8].

Version No 1: 27 Oct 2020 (22:40 hrs)

name of the SGbuy4u Website and various other domain names under his name, with the registrant organisation as the First Defendant, in order for them to be effectively managed by one entity.[77] The Plaintiffs have not shown any basis for the piercing of the corporate veil in respect of either the First or Second Defendant.[78]

There are triable issues of fact and law

39 The Defendants resist the summary judgment application by arguing that there are triable issues of fact and law. The Defendants submit that based on their abovementioned defences to the Plaintiffs' claim, the matter ought to go to trial.[79] They further identify two disputes of fact: (i) whether there is a close relationship between the First and Second Defendants as alleged by the Plaintiffs;[80] and (ii) whether the Third Defendant is the "sole controlling mind" of the First and Second Defendants.[81] The Defendants also claim that there is a dispute of law on the following question: "Can an online e-commerce platform like SGbuy4u be held liable for a 3rd party, an individual seller, infringing on someone's trade marks?"[82]

The relevant legal principles

40 The Plaintiffs apply for summary judgment pursuant to O 14 of the Rules of Court on the basis that the Defendants have no defence to the claim

---

76 Defendants' submissions dated 15 March 2016 at [24].

77 Defendants' submissions dated 15 March 2016 at [25].

78 Defendants' submissions dated 15 March 2016 at [31].

79 Defendants' submissions dated 15 March 2016 at [53].

80 Defendants' submissions dated 15 March 2016 at [55] to [60].

81 Defendants' submissions dated 15 March 2016 at [60] to [62].

82 Defendants' submissions dated 15 March 2016 at [63].

Version No 1: 27 Oct 2020 (22:40 hrs)

for trade mark infringement under s 27(1) of the Act in S 1102/2015[83]. I begin with a brief word on the relevant legal principles to be applied.

Trade mark infringement under s 27(1) of the Act

41 Section 27(1) of the Act reads as follows:

> **Acts amounting to infringement of registered trade mark**
>
> **27.**—(1) A person infringes a registered trade mark if, without the consent of the proprietor of the trade mark, he uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.

42 There are five cumulative conditions to be satisfied before infringement under s 27(1) can be established:

(a) the alleged infringer must use the sign;

(b) the use must be in the course of trade;

(c) such use must be without the consent of the proprietor of the trade mark;

(d) the sign that is used must be identical with the trade mark; and

(e) the use must be in relation to goods or services which are identical with those for which the trade mark is registered.

43 From the parties' submissions and affidavits, it is evident that there is no dispute between the parties that if the CK Marks were used, such use was in the course of trade (condition (b) above) and without the consent of the

---

83 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at [44].

Version No 1: 27 Oct 2020 (22:40 hrs)

Plaintiffs (condition (c) above). My analysis will therefore focus on the remaining conditions for infringement under s 27(1) of the Act.

Summary judgment

44 Under O 14 r 3(1) of the Rules of Court, the Court may grant summary judgment if there is no issue or question in dispute which ought to be tried and there is no other reason why there ought to be a trial. It is well-established that the burden lies on the plaintiff to show that he has a *prima facie* case for summary judgment, and that once he has succeeded in doing so the defendant must, in order to obtain leave to defend, establish that there is a fair or reasonable probability that he has a real or *bona fide* defence: *Ritzland Investment Pte Ltd v Grace Management & Consultancy Services Pte Ltd* [2014] 2 SLR 1342 at [43] and [44].

45 As observed in *Bank Negara Malaysia v Mohd Ismail* [1992] 1 MLJ 400 (cited with approval by Judith Prakash J in *M2B World Asia Pacific Pte Ltd v Matsumura Akihiko* [2015] 1 SLR 325 at [19]), the judge in an O 14 application has a duty to reject an assertion or denial made in an affidavit where such assertion or denial is equivocal, lacking in precision, is inconsistent with undisputed contemporary documents or other statements by the same deponent, or is inherently improbable in itself. Once rejected, the issue is rendered not triable. Further, a defendant will not be given leave to defend based on mere assertions alone: *Goh Chok Tong v Chee Soon Juan* [2003] 3 SLR(R) 32 at [25]. Mere logical possibility alone is insufficient; in order to obtain leave to defend, the defendant must adduce some evidence, direct or indirect, to support the bare assertions made in his affidavit on what he claims are the true facts: *Wiseway Global Co Ltd v Qian Feng Group Ltd* [2015] SGHC 85 at [33].

Version No 1: 27 Oct 2020 (22:40 hrs)

The key issues for determination

46 I have set out above the principles to be applied in determining whether the Plaintiffs should succeed in their application for summary judgment. In my view, there are three key issues for determination:

(a) whether the requirement of double identity under s 27(1) of the Act is satisfied;

(b) whether the relevant signs have been "use[d]" within the meaning of ss 27(1) and (4) of the Act; and

(c) which, if any, of the Defendants carried out the infringing use.

47 In my view, an analysis based on these three issues not only tracks the requirements for trade mark infringement under s 27(1) of the Act but also provides ample opportunity for the abovementioned defences to be fully considered. I will take each issue in turn and ascertain whether the Plaintiffs have succeeded in establishing a *prima facie* case and, if so, whether the Defendants have been able to show that there is a fair or reasonable probability that they have a real or *bona fide* defence.

The requirement of double identity under s 27(1) of the Act

The law

48 One of the requirements for infringement under s 27(1) of the Act is identity between (i) the sign and the trade mark; and (ii) the goods or services for which the trade mark is registered and those in relation to which the sign was used. This is commonly known as the requirement of "double identity".

Version No 1: 27 Oct 2020 (22:40 hrs)

49 In *City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier* [2010] 1 SLR 382 ("*City Chain*"), the Court of Appeal held (at [39]) that the test of whether a sign is "identical" with a registered mark under s 27(1) of the Act entails a strict interpretation. Minor differences would take the case outside of the definition of "identical". The Court of Appeal also cited with approval the view taken by the Court of Justice of the European Union ("the CJEU") in *SA Société LTJ Diffusion v Sadas Vertbaudet SA* [2003] FSR 34 ("*Sadas*") that the protection accorded under s 27(1) cannot be extended beyond the situations for which it was envisaged, in particular, to those situations more specifically covered by another provision, such as s 27(2)(*b*) of the Act on similar goods or services or where the sign is similar. The rationale for the strict approach is that once a case is shown to fall within s 27(1) of the Act, protection immediately follows without the need to demonstrate any likelihood of confusion.

50 I also agree with the following relevant and useful principles identified by the CJEU in *Sadas* at [50] to [53] (cited with approval by Lai Siu Chiu J in *Mitac International Corp v Singapore Telecommunications Ltd and another action* [2009] 4 SLR(R) 961 ("*Mitac*") at [92] to [94]) on the definition of "identity" and how it is to be ascertained:

(a) The criterion of identity of the sign and the trade mark must be interpreted strictly. The very definition of identity implies that the two elements compared should be the same in all respects.

(b) The perception of identity between the sign and the trade mark must be assessed globally with respect to an average consumer who is deemed to be reasonably well-informed, reasonably observant and circumspect.

Version No 1: 27 Oct 2020 (22:40 hrs)

(c) The consumer only rarely has the chance to make a direct comparison between signs and trade marks and must place his trust in the imperfect picture of them that he has kept in his mind. Moreover, his level of attention is likely to vary according to the category of goods or services in question. Since the perception of identity between the sign and the trade mark is not the result of a direct comparison of all the characteristics of the elements compared, insignificant differences between the sign and the trade mark may go unnoticed by an average consumer.

51 Thus, a sign is identical with the trade mark for the purposes of s 27(1) of the Act in two situations: (i) where the sign reproduces, without any modification or addition, all the elements constituting the trade mark; or (ii) where, viewed as a whole, the sign and the trade mark contain differences so insignificant that these differences may go unnoticed by an average consumer: *Sadas* at [54]; *Mitac* at [93].

My findings

52 The Defendants have not made any attempt in their oral or written submissions to dispute the presence of double identity. Nor in my view would they have succeeded in doing so. The "Calvin Klein" trade mark, which is registered by the Plaintiffs for, *inter alia*, wallets, belts and underwear (see Trade Mark Nos. T9508648D and T9508652B), appears clearly on the wallet and underwear obtained from the First Sample Purchase and those seized during the raid on 14 August 2015. I note further that "Calvin Klein", which is also a mark registered in respect of paper and printed materials (see Trade Mark No. T9508647F) appears on the following packaging seized during the raid: (i) the cover of the 20 boxes containing underwear; (ii) the cover of the

Version No 1: 27 Oct 2020 (22:40 hrs)

box containing the wallet; and (iii) two white and black paper bags. "Calvin Klein" also appears on the paper bag for the wallet obtained from the First Sample Purchase.

53 In relation to the "ck" trade mark (under Trade Mark Nos. T9601574B, T9601575J and T9601579C), the Defendants have not disputed the identity of such mark to the signs applied on the goods from the First Sample Purchase and those seized during the raid. However, there are, in my view, visual differences between the registered marks and the signs applied on the goods. I set them out side-by-side for easy comparison:

cK	
Figure 4(a): *T9601574B (Class 16), T9601575J (Class 18), T9601579C (Class 25)*	*Figure 4(b):* *"ck" sign on belt seized during the raid on 14 August 2015*

54 From my observation, there is a palpable visual dissimilarity between Figures 4(a) and (b) above. One of the key visual features in Figure 4(a) is the asymmetry in size between the letter "c" and the letter "k" (the latter being larger than the former). This asymmetry in size is not present between the letters "c" and "k" in Figure 4(b). I emphasise the Court of Appeal's ruling in *City Chain* that the test for identity between the sign and registered mark under s 27(1) of the Act is a strict one.

Version No 1: 27 Oct 2020 (22:40 hrs)

55 Notwithstanding my observation in relation to the "ck" trade mark, I have explained (at [52] above) why it is, in my view, beyond dispute that the requirement of double identity with respect to the "Calvin Klein" trade marks and the goods for which those marks have been registered is satisfied. I am therefore satisfied both that the Plaintiffs have established a *prima facie* case on the issue of double identity and that the Defendants have not shown that there is a fair or reasonable probability that they have a real or *bona fide* defence in this regard.

Whether the signs have been "use[d]" under ss 27(1) and (4) of the Act

56 Under s 27(1) of the Act, a plaintiff must show that the defendant "uses in the course of trade" a sign which is identical with its trade mark. Section 27(4) defines what it means for a person to "use" a sign:

> (4) For the purposes of this section [*ie*, s 27] and sections 28, 29 and 31, a person uses a sign if, in particular, he –
>
> (*a*) applies it to goods or the packaging thereof;
>
> (*b*) offers or exposes goods for sale, puts them on the market or stocks them for the purposes under the sign, or offers or supplies services under the sign;
>
> (*c*) imports or exports goods under the sign;
>
> (*d*) uses the sign on an invoice, wine list, catalogue, business letter, business paper, price list or other commercial document, including any such document in any medium; or
>
> (*e*) uses the sign in advertising.

57 During oral arguments,[84] counsel for the Plaintiffs submitted that the Defendants committed the following types of infringing use under s 27(4) of the Act: (i) offering goods for sale under the sign (s 27(4)(*b*)); (ii) importing

---

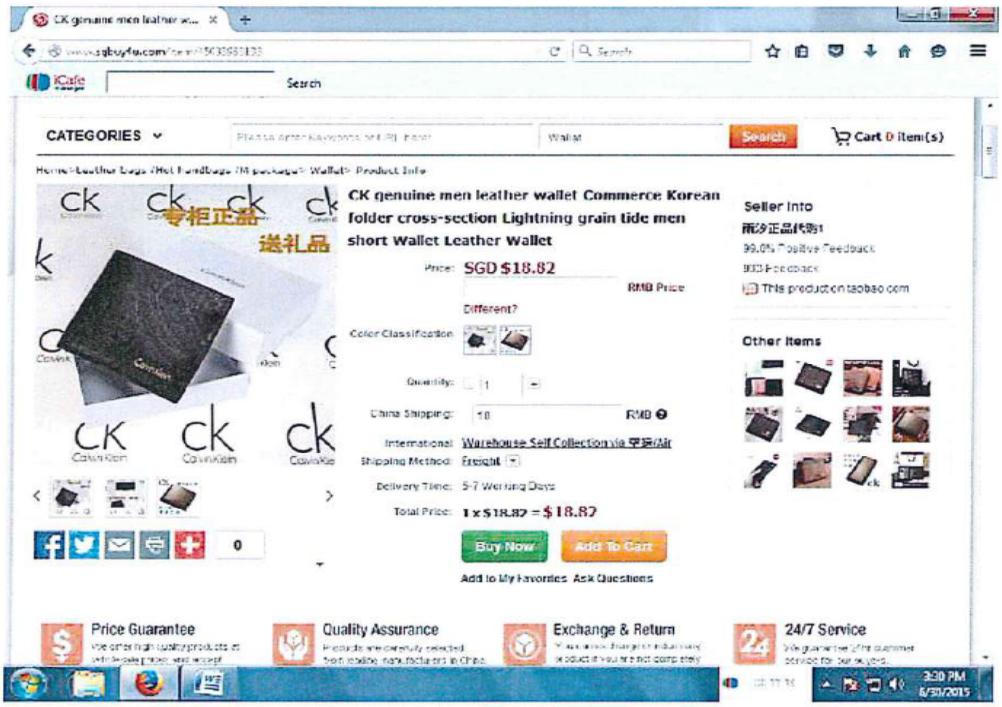
84 Hearing of further arguments on 25 July 2016.

Version No 1: 27 Oct 2020 (22:40 hrs)

goods under the sign (s 27(4)(*c*)); and (iii) using the sign in advertising (s 27(4)(*e*)). I will deal with each allegation in turn.

Offering goods for sale: s 27(4)(*b*)

58 The Plaintiffs refer to the goods obtained pursuant to the First Sample Purchase, the goods ordered on the SGbuy4u Website as part of the Second Sample Purchase, and the goods eventually seized by the Plaintiffs during the raid on 14 August 2015, as goods that the Defendants have offered for sale. The Plaintiffs have exhibited screenshots of the individual product listings on the SGbuy4u Website, through which the Plaintiffs' representatives were able to order and pay for the goods online. I reproduce for illustrative purposes the screenshot depicting the product listing for the wallet ordered and subsequently obtained as part of the First Sample Purchase:



Version No 1: 27 Oct 2020 (22:40 hrs)

Figure 5: Screenshot of product listing on the SGbuy4u Website

59 I observe that the screenshot in Figure 5 provides not only a textual description and photographs of the good available, but also informs the user of the price of the good and gives the user the options to "Buy Now" or "Add to Cart". The Plaintiffs have additionally produced screenshots of the webpage on the SGbuy4u Website where payment is made for the selected goods as well as the PayPal payment confirmation webpages.[85] Having considered the evidence, I am satisfied that the Plaintiffs have shown a *prima facie* case that goods have been offered for sale under the sign "Calvin Klein" on the SGbuy4u Website. I therefore turn to consider whether the Defendants have a real or *bona fide* defence in this regard.

60 As described at [35] to [36] above, the Defendants have denied selling the goods. They have not said so in express terms but presumably they also deny having offered the goods for sale. The Defendants allege that the true culprits are the individual sellers on the Taobao Website who have infringed the CK Marks by advertising and selling those goods.

61 I have explained above that the crux of the dispute between the parties on this issue lies in the proper characterisation of the activities of the SGbuy4u Business. The Plaintiffs argue that the infringing goods are offered for sale on the SGbuy4u Website. On their part, the Defendants have disagreed with the Plaintiffs' portrayal of the activities of the SGbuy4u Business and have proposed two ways in which those activities might properly be characterised:

(a) a courier or freight forwarding service; and

---

85 Affidavit of Muthiah Sounthirapandian dated 14 January 2016 at pp98 to 102.

Version No 1: 27 Oct 2020 (22:40 hrs)

(b) a customer-to-customer ("C2C") platform facilitating the sale and purchase of goods.

I add to this list two other possible characterisations of the activities carried out by the SGbuy4u Business:

(c) a service that procures and conveys the desired good (without sale) to the user; and

(d) the sale to the user of goods that are advertised on the Taobao Website.

As a courier or freight forwarding service

62 The Defendants have repeatedly asserted that the Second Defendant merely provides a courier or freight forwarding service.[86] They analogise the services furnished by the Second Defendant to those provided by companies such as FedEx, DHL or SingPost. The Second Defendant simply "assists to freight forward the particular buyer's purchase from a particular seller in China in accordance to the order(s) placed or made by the buyer".[87]

63 In my view, this submission can be rejected outright. As the Plaintiffs point out,[88] the SGbuy4u Business does a great deal more than the provision of courier services. It receives payment from the user of the SGbuy4u Website for the good to be obtained, logs on to the Taobao Website, places an order for the good with the individual Taobao seller, pays the Taobao seller for the good

---

86 Defendants' submissions dated 15 March 2016 at [37(vi)] and [38]; Defendants' submissions dated 16 May 2016 at [18], [24], [25], [27], [28], [40] and [41].

87 Defendants' submissions dated 16 May 2016 at [24].

88 Plaintiffs' submissions dated 22 April 2016 at [30] to [32].

Version No 1: 27 Oct 2020 (22:40 hrs)

and directs the Taobao seller to send the good to a warehouse in Guangzhou, PRC used by the SGbuy4u Business. None of these facilities are provided by traditional delivery services such as FedEx, DHL or SingPost. A mere freight forwarder does not receive payment from the buyer for the goods, does not order the goods from a seller or supplier, and certainly does not pay the seller or supplier for the goods. I find that there is no merit to this characterisation of the activities of the SGbuy4u Business.

As a customer-to-customer (C2C) platform facilitating the sale and purchase of goods

64 The Defendants submit that the SGbuy4u Website "is purely an e-commerce platform on the Internet (like many other such platforms [on] the Internet, for example, ebay.com, 65daigou.com, taobao.com, carousell.com, etc.)".[89] Transactions on the SGbuy4u Website are "C2C transaction[s]".[90] The Second Defendant is simply an "intermediary" or a "3rd party who provided a platform for buyers to order goods on Taobao.com via sgbuy4u.com".[91]

65 In response, the Plaintiffs have filed an affidavit explaining how online purchases are made on the websites carousell.com ("Carousell") and ebay.com ("eBay").[92] The affidavit was affirmed by a freelancer who made sample purchases on Carousell and eBay. From Carousell, the freelancer carried out two separate purchases, the first for a watch and the second for underwear, both bearing the "Calvin Klein" sign. From eBay, the freelancer purchased

---

89 Defendants' submissions dated 15 March 2016 at [9].

90 Defendants' submissions dated 15 March 2016 at [39].

91 Defendants' submissions dated 16 May 2016 at [35].

92 Affidavit of Cheam Toon Lian dated 26 February 2016.

Version No 1: 27 Oct 2020 (22:40 hrs)

underwear bearing the same sign. In relation to his online purchases, the freelancer provided evidence that:

(a) he communicated directly with the individual seller who posted the advertisement on eBay;

(b) he made payment for the goods to the individual seller directly for all the online purchases, either through electronic transfer of money to an account number provided by the seller or to the seller's PayPal account; and

(c) the individual seller for each online purchase sent the goods directly to him, not through Carousell or eBay.

66 The Defendants have not filed any affidavit rebutting the Plaintiffs' evidence, nor have they attempted to address the matter in their oral or written submissions. I find that the services provided by eBay and Carousell are very different from those provided by the SGbuy4u Business and Website. I agree with the Plaintiffs[93] that the latter play a far more active role than the other electronic platforms, and I say so for four key reasons. First, eBay and Carousell do not themselves liaise with the prospective buyer or receive product orders from the buyer, unlike the SGbuy4u Business. Second, eBay and Carousell do not receive payment for the purchase price of the goods from the buyer, which the SGbuy4u Business did when payment for the First and Second Sample Purchases was made directly into the Second Defendant's PayPal account. Third, eBay and Carousell do not liaise with the individual seller who posted the product listing, nor do they place orders with the seller: both of which are performed by the SGbuy4u Business. Finally, eBay and

[93] Plaintiffs' submissions dated 15 March 2016 at [49].

Version No 1: 27 Oct 2020 (22:40 hrs)

Carousell do not receive the goods from the seller and convey them to the buyer. In my view, the Defendants' analogy to eBay and Carousell falls apart even upon a preliminary comparison.

67 The Defendants have also sought to liken the SGbuy4u Website to the Taobao Website and 65daigou.com ("65daigou"). From the evidence, I am given to understand that (i) a prospective buyer on the Taobao Website liaises with the individual Taobao seller directly; (ii) the buyer pays the individual Taobao seller directly; and (iii) the Taobao seller then delivers the good to the buyer directly. These activities of a buyer on the Taobao Website are precisely those carried out by the SGbuy4u Business after receiving payment from a user of the SGbuy4u Website. Thus, the facilities offered by Taobao are more akin to those of eBay and Carousell rather than those rendered by the SGbuy4u Business. Evidence has not been led by either party on the business carried out by 65daigou. In any event, I take the view that even if the activities of the SGbuy4u Business are similar to those of 65daigou (which is not a conclusion I draw given the paucity of evidence thereon), it does not follow as a logical conclusion that none of the Defendants could possibly have committed any trade mark infringement.

As a service that procures and conveys the desired good (without sale) to the user

68 Another possible characterisation of the activities in question that arises from the Defendants' submissions is that of a *service* that procures the desired good and conveys it to the user of the SGbuy4u Website, without any *sale* of the good from the SGbuy4u Business to the user. This flows from the Defendants' repeated assertions (described at [35] to [36] above) that the individual Taobao sellers, and not the SGbuy4u Business, are the true sellers

Version No 1: 27 Oct 2020 (22:40 hrs)

in the arrangement. The SGbuy4u Business is merely an "intermediary" between the users of the SGBuy4u Website and the individual Taobao sellers.

69 I reject this characterisation of the activities at issue. There are, in my view, two sale and purchase transactions involved in every user's dealing with the SGbuy4u Business and Website.

(1) Two instances of sale and purchase

70 When a user visits the SGbuy4u Website, he is met with a series of product listings and product pages similar to those in Figures 1, 2 and 5 above. He is given the option to click on the buttons "Buy Now" or "Add to Cart" (see Figure 5), which are incontrovertible signals that those goods are for sale and available for his purchase on the SGbuy4u Website. After he selects that option, the SGbuy4u Website then requires him to make payment in Singapore dollars for the good (the price of which is indicated on the product page), either through the "E-Wallet" option or via PayPal. After having viewed what is available for sale on the SGbuy4u Website, the user pays the Second Defendant the purchase price of the selected good, as consideration for obtaining the good. The Defendants accept that the Second Defendant receives such payment from the user. In my view, this is the *first* contract for the sale and purchase of the selected good.

71 It is not disputed that the SGbuy4u Business does not keep in stock any goods that are on offer for sale on the SGbuy4u Website for instant delivery to the user. These goods are the wares of the Taobao sellers. This necessitates the second transaction, which involves only the SGbuy4u Business and the Taobao Website. The user of the SGbuy4u Website is completely uninvolved. The Second Defendant visits and browses the Taobao Website to locate the

Version No 1: 27 Oct 2020 (22:40 hrs)

good for which the user has paid the Second Defendant. The Second Defendant then places an order for the same good as the named buyer with the relevant Taobao seller and pays the Taobao seller in Chinese yuan as consideration for the good. In making the First and Second Sample Purchases, the Plaintiffs' representatives never interacted with any party other than the Second Defendant.[94]

72 The Plaintiffs submit, and the Defendants have not denied, that neither Taobao nor the individual Taobao seller has any knowledge of the users of the SGbuy4u Website or the commercial activities of the SGbuy4u Business apart from the purchase (and other purchasing instructions) and payment made by the Second Defendant on the Taobao Website.[95] The Second Defendant is in the position of any typical buyer on the Taobao Website. As far as the Taobao seller is concerned, he has satisfied an order by making delivery of the good to a location within the PRC in accordance with the instructions of the Second Defendant as the buyer. This is the *second* contract for the sale and purchase of the same good as that previously selected by the user of the SGbuy4u Website.

73 In my view, although the product listings on the SGbuy4u Website mirror those on the Taobao Website, this does not lend itself to the easy conclusion that the users of the SGbuy4u Website are transacting with the Taobao sellers when they select and pay for goods on the SGbuy4u Website, and that the SGbuy4u Website merely facilitates this transaction. I agree with the Plaintiffs' submission that the situation is akin to a seller offering for sale goods that are in someone else's catalogue.[96] It is the SGbuy4u Business, and

---

94 Plaintiffs' submissions dated 15 March 2016 at [50].

95 Plaintiffs' submissions dated 22 April 2016 at [15].

Version No 1: 27 Oct 2020 (22:40 hrs)

no one else, that places these product listings on the SGbuy4u Website. I cannot think of any other party that might conceivably be offering those goods for sale.

(2) How the SGbuy4u Business generates profit

74 The Plaintiffs submit that the Defendants receive a profit from their sale of goods on the SGbuy4u Website. Apart from the freight forwarding charge, the Defendants profit by marking up the price of the goods.[97] The Plaintiffs refer to the goods purchased pursuant to the First Sample Purchase and compare the prices paid by its representative to SGbuy4u for the goods (in Singapore dollars) and those paid by the SGbuy4u Business to the Taobao seller (in Chinese yuan), utilising the market exchange rate of S$1 = 4.6 CNY as at 30 June 2015, *ie*, the date of the First Sample Purchase.[98]

75 In response, the Defendants submit (without reference to or support from any affidavit) that the Second Defendant had selected an exchange rate that was different from the prevailing market exchange rate for the quarterly period during which the First Sample Purchase had been carried out.[99] The Second Defendant had set the exchange rate of S$1 = 3.755 CNY. The Defendants' justification for using such an exchange rate is the need to "reduce the risks of adverse currency movements within that time period". They allege that since 2015 the CNY has been "under tremendous pressure" and "has continuously fluctuated against SGD in terms of the exchange rate and this has caused great instability and fear to a lot of businesses like

---

96 Plaintiffs' submissions dated 22 April 2016 at [11(i)].

97 Plaintiffs' submissions dated 23 May 2016 at [33] and [34].

98 Plaintiffs' submissions dated 23 May 2016 at [33].

99 Defendants' letter dated 27 May 2016 at [1(a)].

Version No 1: 27 Oct 2020 (22:40 hrs)

SGbuy4u doing cross-border business with Chinese sellers or companies".[100] The Defendants conclude that:[101]

> Thus, one should not be persuaded to view the 2nd Defendant other than an ingenious entrepreneur who provides a freight forwarding service, and certainly not a seller and someone who had infringed the Plaintiffs' trade marks.

76 I reiterate the principle (described at [45] above) that a defendant resisting an application for summary judgment must do more than raise bare assertions in an affidavit. It must adduce evidence to support those assertions. In this case, the Defendants' assertions are not even contained within an affidavit. But in any event, I find that the Defendants' conclusion does not follow from its argument. If the SGbuy4u Business provided nothing more a "freight forwarding service" to buyers in Singapore, it would not be concerned about fluctuations in the exchange rate. Its revenue (and profit) in Singapore dollars would be generated solely from the freight forwarding fee to be paid in Singapore dollars by the buyers in Singapore, the quantum of which it could determine irrespective of the prevailing market exchange rate between the Singapore dollar and the Chinese yuan. The Defendants have not argued that their freight forwarding fee is in any way pegged to the market exchange rate.

77 When asked, during oral arguments, whether the users of the SGbuy4u Website are aware of the exchange rate utilised by the SGbuy4u Business, counsel for the Defendants simply suggested that the users can find out the exchange rate themselves by going on the Taobao Website.[102] I do not find this at all convincing, given that a user need never access the Taobao Website in

---

100 Defendants' letter dated 27 May 2016 at [4].

101 Defendants' letter dated 27 May 2016 at [8].

102 Hearing of further arguments on 25 July 2016.

Version No 1: 27 Oct 2020 (22:40 hrs)

order to complete his purchase on the SGbuy4u Website. Counsel further conceded that it was open to the Defendants to apply *whatever* exchange rate they chose, even if such exchange rate bore no relation to the prevailing market exchange rate. I consider that the difference in amount between (i) what the SGbuy4u Business received from the First Sample Purchase and (ii) what it would have received had the prevailing market exchange rate been applied cannot be construed as anything other than profit received by the SGbuy4u Business as a result of the purchase of the selected good by the user of the SGbuy4u Website from the SGbuy4u Business. I find that this buttresses the Plaintiffs' submission and my finding that the SGbuy4u Business offered goods for sale (and in fact sold such goods) on the SGbuy4u Website, generating for itself a profit from such sale.

As a seller of goods advertised on the Taobao Website

78 Following from the above, I am left in no doubt that goods are offered for sale, and are in fact sold, by the SGbuy4u Business on the SGbuy4u Website. These goods are advertised on the Taobao Website, and the SGbuy4u Business uses those photographs and product descriptions on its own website as a catalogue to make sales to users of the SGbuy4u Website. I find that the contract between the SGbuy4u Business and its users is not only a contract for *services* – with respect to the international freight of the good and delivery to the user in Singapore – but also a contract of *sale* and purchase for the good, when the user makes payment to the SGbuy4u Business for the good at a price in Singapore dollars that the latter effectively determines as the sale price.

79 As a final matter, I observe that the Defendants have not submitted that any of the Defendants was, at any point within the dealings of the SGbuy4u Business with a user of the SGbuy4u Website or a Taobao seller, acting as an

Version No 1: 27 Oct 2020 (22:40 hrs)

agent for the user. Indeed, counsel for the Defendants positively confirmed that the Defendants are not advancing such an argument.[103] By way of explanation during oral arguments, counsel referred me to a section of the User Agreement which states as follows:[104]

> **No Agency**
>
> No agency, partnership, joint venture, employer-employee or franchisor-franchisee relationship is intended or created by this User Agreement. No agency, partnership, joint venture, employer-employee or franchisor-franchisee relationship is intended, exists or is created between the Company and any buyer or seller.

80 From the foregoing analysis, I find that the Plaintiffs have shown a *prima facie* case that the goods were offered for sale under s 27(4)(*b*) of the Act by the SGbuy4u Business on the SGbuy4u Website and that the Defendants have failed to satisfy me of a fair or reasonable probability that there is any real or *bona fide* defence in this regard.

Importing goods under the sign and using the sign in advertising: ss 27(4)(c) and (e)

81 Having accepted the Plaintiffs' submission on s 27(4)(*b*) of the Act, there is no need for me to go further to consider the applicability of ss 27(4)(*c*) and (*e*). In any case, I note that the crux of the parties' submissions pertain to the offering for sale of the goods. Sections 27(4)(*c*) and (*e*) were only briefly canvassed in oral arguments and not debated at any length by the parties. In my view, it is therefore neither necessary nor appropriate for me to make findings on these matters.

---

103 Hearing of further arguments on 25 July 2016.

104 Affidavit of Tan Keng Hiang Jeffrey dated 21 July 2016 at p42.

Version No 1: 27 Oct 2020 (22:40 hrs)

Which, if any, of the Defendants carried out the infringing use

82 The Defendants have failed to satisfy me that there is any triable issue concerning the offering for sale on the SGbuy4u Website of goods under the "Calvin Klein" sign. Trade mark infringement has occurred. The remaining issue to be determined is that of attribution of liability. I reiterate that the relevant use is that under s 27(4)(*b*) of the Act. Thus, the specific inquiry to be posed is which, if any, of the Defendants offered the infringing goods for sale.

The Second Defendant

83 I will begin with the involvement of the Second Defendant, in respect of which there is the least debate between the parties.

The parties' submissions

84 The Plaintiffs emphasise the Defendants' admission that the Second Defendant is the operator of the SGbuy4u Website.[105] In addition, the Plaintiffs draw attention to the following:

(a) payment for both the First and Second Sample Purchases was made via PayPal to "Global PSM Pte Ltd", *ie*, the Second Defendant;[106] and

(b) the User Agreement on the SGbuy4u Website states that "any legal notices shall [be] served on GLOBAL PSM Pte. Ltd.",[107] *ie*, the Second Defendant.[108]

---

105 Plaintiffs' submission dated 15 March 2016 at [66] and [67]; Defendants' submissions dated 16 May 2016 at [14].

106 Plaintiffs' submission dated 15 March 2016 at [44(iv)].

107 Affidavit of Tan Keng Hiang Jeffrey dated 21 July 2016 at p42.

Version No 1: 27 Oct 2020 (22:40 hrs)

85 I note further that the User Agreement purports to form an agreement between a user of the SGbuy4u Website and the Second Defendant. The second paragraph of the User Agreement reads as follows:[109]

> Welcome to SGbuy4u. By using the SGbuy4u.com website including its related sites, services and tools (the "Website"), *you agree to the following terms, including those available by hyperlink, with Global PSM Pte. Ltd.* and the general principles for this Website. [emphasis added]

86 The Defendants do not make any real attempt to distance the Second Defendant from the operation of the SGbuy4u Business and Website. In fact, they plead that the SGbuy4u e-commerce platform is "solely and wholly controlled, managed and operated by the 2nd Defendant".[110] Not only is payment for items ordered on the SGbuy4u Website made to the Second Defendant, the Second Defendant is also the party "involved in the packing, moving and storing of the items and [the eventual delivery of the items] to customers".[111]

My finding

87 In the circumstances, I have no hesitation in finding that the Plaintiffs have succeeded in showing a *prima facie* case that the Second Defendant committed infringing use of the Plaintiffs' trade marks. It operates and manages the SGbuy4u Website, which displays the product listings of the infringing goods and allows a user to purchase those goods directly from the Second Defendant on the SGbuy4u Website. The Defendants have, in effect,

---

108 Plaintiffs' submission dated 15 March 2016 at [44(iii)].

109 Affidavit of Tan Keng Hiang Jeffrey dated 21 July 2016 at p34.

110 Defence (Amendment No. 1) at [12(i)].

111 Defence (Amendment No. 1) at [12(l)], [12(m)] and [12(o)].

Version No 1: 27 Oct 2020 (22:40 hrs)

conceded that there is no triable issue regarding the Second Defendant's involvement with the SGbuy4u Business and Website.

The First Defendant

The parties' submissions

88 The Plaintiffs claim that the First Defendant has a "close and connected operation" with the Second Defendant. They make the following observations in support of their claim:

(a) the First Defendant manages the domain name "sgbuy4u.com", *ie*, that of the SGbuy4u Website;[112]

(b) the User Agreement on the SGbuy4u Website states that legal notices are to be served on the Second Defendant at the address "48 Enterprise Hub #09-116 Singapore 608586",[113] which is the registered address of the First Defendant;[114]

(c) the SGbuy4u Website identifies the First Defendant's registered address as the warehouse for self-collection of goods;[115]

(d) the contact number ("63166314") provided on the PayPal invoice (see [24] and [25] above) following the First Sample Purchase is the telephone number of the First Defendant, as can be seen from the "Contact Us" webpage of the First Defendant's website;[116] and

---

112 Plaintiffs' submissions dated 15 March 2016 at [44(i)].

113 Affidavit of Tan Keng Hiang Jeffrey dated 21 July 2016 at p42.

114 Plaintiffs' submissions dated 15 March 2016 at [44(iii)].

115 Affidavit of Tan Keng Hiang Jeffrey dated 21 July 2016 at p32.

116 Affidavit of Muthiah Sounthirapandian dated 29 February 2016 at [12] and MS-11.

Version No 1: 27 Oct 2020 (22:40 hrs)

(e) the "Company Profile" webpage[117] of the First Defendant's website states that "HS International has also ventured into International Moving of personal effects when Global PSM Pte Ltd [*ie*, the Second Defendant] was set up in 2012".[118]

The Plaintiffs submit that these are indications that the First and Second Defendants are under the same management,[119] and that the First Defendant cannot escape liability because it is the registrant organisation of the SGbuy4u platform and "the infringing goods were promoted and sold through the 1st Defendant's platform".[120]

89 The Defendants respond that the First Defendant is a separate entity from the Second Defendant, "with each entity having its separate business representations, operations and management teams".[121] The First Defendant is merely the registrant organisation of the SGby4u Website domain name as well as a number of other domain names. The Third Defendant registered all the domain names under the First Defendant so that the domain names might be properly and effectively managed by one entity.[122] There is "no link between the 1st Defendant and 2nd Defendant in terms of the management of their businesses and/or operations, except that the 3rd Defendant happens to be a director and shareholder in both companies".[123]

---

117 Affidavit of Muthiah Sounthirapandian dated 29 February 2016 at [13] and MS-12.

118 Plaintiffs' submissions dated 15 March 2016 at [44(vi)].

119 Plaintiffs' submissions dated 15 March 2016 at [44(vi)].

120 Plaintiffs' submissions dated 15 March 2016 at [66].

121 Defendants' submissions dated 16 May 2016 at [10].

122 Affidavit of Tan Keng Hiang Jeffrey dated 17 February 2016 at [19].

123 Defendants' submissions dated 15 March 2016 at [8].

Version No 1: 27 Oct 2020 (22:40 hrs)

My finding

90 It bears repeating that the relevant question is whether the First Defendant (together with the Second Defendant) infringed the Plaintiffs' trade marks by *offering the infringing goods for sale*. In order to establish a *prima facie* case of infringement on the part of the First Defendant, it is not sufficient for the Plaintiffs simply to show some connection between the First and Second Defendants without the necessary degree of specificity on the question I have posed.

91 In my view, the fact that the First Defendant is the registrant organisation of the domain of the SGbuy4u Website and that its registered address is the self-collection point in Singapore for goods freighted from the PRC merely indicates that the First Defendant has some involvement in the SGbuy4u Business and Website. The First Defendant's warehouse premises are presumably used for the storage of the goods ordered from Taobao. Adding this to the fact that the First Defendant's telephone number is set out on the payment invoice, the First Defendant may very well be involved in after-sales arrangements with the buyer. But the crux of the infringing use under s 27(4)(*b*) is the offering for sale of the goods, and the evidence raised by the Plaintiffs is not evidence demonstrative of the making of such an offer by the First Defendants. I add, for completeness, that the Plaintiffs have not adduced sufficient evidence for a *prima facie* case that the First Defendant either imported or exported infringing goods under the sign, or used the sign in advertising. In my view, the mere fact that the First Defendant's registered address is stated on the SGbuy4u Website as the collection point for goods does not go far enough to show that the First Defendant imported the infringing goods. I reiterate my earlier observation (at [81] above) that this

Version No 1: 27 Oct 2020 (22:40 hrs)

point was, in any event, not pursued by the Plaintiffs at any level of detail, either on the facts or the law.

92 Following from the above, the Plaintiffs have not satisfied me of a *prima facie* case that the First Defendant has committed the necessary infringing use for liability under s 27(1) of the Act. Given that the Plaintiffs have failed at this preliminary hurdle, the burden does not shift to the First Defendant to show that there is a fair or reasonable probability that it has a real or *bona fide* defence.

The Third Defendant

The parties' submissions

93 The Plaintiffs submit that the Third Defendant is "clearly involved in managing and/or operating the 2nd Defendant".[124] The Plaintiffs reiterate that (i) the Third Defendant is the sole director and shareholder of both the First and Second Defendants; and (ii) the Third Defendant is the registrant, administrative and technical contact for the SGbuy4u Website. Neither of these points is disputed by the Defendants.

94 The Plaintiffs further submit that the Third Defendant "takes care of the financing and release of funds of the 2nd Defendant". They refer to a DBS Bank Ltd cheque ("the Cheque") dated 1 March 2016 with serial no. 300343.[125] The Cheque is for the sum of S$430.07 and is issued from "GLOBAL PSM PTE. LTD." (*ie*, the Second Defendant) to the freelancer who assisted the Plaintiffs to carry out the Second Sample Purchase.[126] According to the

---

124 Plaintiffs' submissions dated 15 March 2016 at [44(viii)].

125 Affidavit of Absolom Leo Darshan dated 3 March 2016 at ALD-1.

Version No 1: 27 Oct 2020 (22:40 hrs)

Plaintiffs, the Cheque was enclosed together with a letter from the Defendants' solicitors dated 1 March 2016, informing the Plaintiffs' solicitors that the Defendants intended to retrieve the goods that were seized by the police during the raid on 14 August 2015. The Plaintiffs' solicitors further indicated that the Cheque was a refund of the payment made by the freelancer during the Second Sample Purchase. Copies of the Cheque and the correspondence were provided in affidavit. The Plaintiffs argue that the signature for the Second Defendant on the Cheque is the signature of the Third Defendant. Thus, the Third Defendant "arranged the financing of the refund of the [seized] goods, [as] evidenced by the fact that the 3rd Defendant signed the cheque in the 2nd Defendant's name".[127]

95 The Plaintiffs make the additional point that the Defendants have failed to produce any evidence regarding anyone else who is involved in managing and/or operating the Second Defendant's business. The Plaintiffs urge me to draw the inference that in the absence of such evidence, it must be the Third Defendant himself who carries on the business.[128]

96 On these grounds, the Plaintiffs conclude that the Third Defendant is the "controller"[129] and "operating mind"[130] of the First and Second Defendants. They submit that this is an appropriate case to lift the corporate veil and hold the Third Defendant personally liable for trade mark infringement.[131]

---

126 Affidavit of Krishna s/o Mahendar Singh dated 12 January 2016.

127 Plaintiffs' submissions dated 15 March 2016 at [73(i)].

128 Plaintiffs' submissions dated 15 March 2016 at [69].

129 Plaintiffs' submissions dated 15 March 2016 at [70].

130 Plaintiffs' submissions dated 23 May 2016 at [40].

131 Plaintiffs' submissions dated 15 March 2016 at [73].

Version No 1: 27 Oct 2020 (22:40 hrs)

97 The Defendants submit that the Third Defendant is involved in the management and operations of only the First but not the Second Defendant.[132] They agree that he registered the domain name of the SGbuy4u Website, but suggest that he also registered various other domain names with the registrant organisation as the First Defendant, so that the domain names might be effectively managed by one entity.[133] The Defendants deny that this is an appropriate case for the piercing of the corporate veil.[134]

My finding

98 I agree with the Defendants. Quite apart from the fact that the Plaintiffs are urging me to pierce the corporate veil in an application for summary judgment, I find that the Plaintiffs have not established a *prima facie* case that the Third Defendant committed the infringing use, *ie*, offered the infringing goods for sale.

99 It is true that the Third Defendant is the sole director and shareholder of the Second Defendant, and that the Defendants have not adduced evidence of persons who are involved in the management and operation of the Second Defendant and the SGbuy4u Website. But I am not satisfied on the evidence before me that the requisite connection has been drawn between the Third Defendant and the infringing use of the Plaintiffs' trade marks. The Defendants have denied that the Third Defendant has any personal involvement with the business of the Second Defendant. The only positive evidence that the Plaintiffs have been able to adduce to support its submission is (i) that the Third Defendant registered the domain name of the SGbuy4u

132 Affidavit of Tan Keng Hiang Jeffrey dated 17 February 2016 at [34].

133 Defendants' submissions dated 15 March 2016 at [25].

134 Defendants' submissions dated 15 March 2016 at [31].

Version No 1: 27 Oct 2020 (22:40 hrs)

Website; and (ii) that he signed the Cheque for the Second Defendant. This is inadequate even to discharge the burden of a *prima facie* case.

100 I consider that this is an inquiry that is appropriate for trial. Through the process of discovery, examination-in-chief and cross-examination, the actual extent of the Third Defendant's involvement (if any) with the SGbuy4u Business and/or Website will become clearer – for instance, (i) the nature of his personal involvement (if any) with the businesses of the First and Second Defendants; and (ii) the nature of his relationship and dealings (if any) with the persons or entities running the SGbuy4u Website and the operations of the SGbuy4u Business, both in Singapore and in the PRC.

Further issues

101 I will deal with two final submissions, one advanced by the Plaintiffs and the other by the Defendants.

Secondary trade mark infringement

102 In their application for summary judgment, the Plaintiffs have also attempted to run a case based on secondary trade mark infringement,[135] although this received very much less attention from the parties both in oral and written submissions. The Plaintiffs concede, however, that the Singapore courts have not yet had the opportunity to address the law on secondary trade mark infringement, and they therefore seek to draw an analogy to the principles on secondary copyright infringement. Particular reference was also made in both parties' submissions to two decisions of foreign courts.

---

135 Plaintiffs' submissions dated 22 April 2016.

Version No 1: 27 Oct 2020 (22:40 hrs)

103 The first is *Tiffany (NJ) Inc. and Tiffany and Company v eBay, Inc.*, 600 F.3d 93 (2d Cir, 2010) ("*Tiffany*"), a decision of the United States Court of Appeals for the Second Circuit. The plaintiffs (collectively, "Tiffany") sued eBay for both direct and contributory trade mark infringement following the sale of counterfeit Tiffany goods by sellers on eBay. In Tiffany's appeal from the District Court's judgment, the Court of Appeals for the Second Circuit found that eBay had not committed direct infringement because it had used Tiffany's trade mark on its website in order to accurately describe genuine Tiffany goods that were offered for sale on eBay. In respect of the indirect infringement claim, the Court applied the test for contributory infringement set out by the United States Supreme Court in *Inwood Laboratories, Inc. v Ives Laboratories, Inc.*, 456 US 844 (1982) ("*Inwood*"). Under the *Inwood* test, a manufacturer or distributor will be contributorily liable for trade mark infringement if it intentionally induces another to infringe a trade mark, or if it continues to supply its product to one whom it knows or has reason to know is engaging in trade mark infringement. It would appear that the *Inwood* test for contributory trade mark infringement has been extended to those providers of services exercising sufficient control over the infringing conduct. The Court in *Tiffany* agreed (at 107) with the finding of the District Court that liability of a service provider under the second limb of the *Inwood* test requires more than a general knowledge or reason to know that its service is being used to sell counterfeit goods. Some contemporary knowledge of which particular listings are infringing or will infringe in the future is necessary. Applying this approach, the Court also rejected (at 109) Tiffany's argument that eBay was contributorily liable for trade mark infringement. Tiffany's general allegations of counterfeiting failed to provide eBay with the knowledge required under the *Inwood* test. Apart from using a "fraud engine" dedicated to ferreting out illegal listings, including counterfeit listings, eBay had also promptly removed

Version No 1: 27 Oct 2020 (22:40 hrs)

all listings that Tiffany challenged as counterfeit and took affirmative steps to identify and remove counterfeit goods notified to it, warned the sellers and buyers, cancelled fees it earned from those listings and directed buyers not to consummate the sale of the disputed items. The Court concluded that Tiffany failed to demonstrate that eBay was supplying its service to individuals whom it knew or had reason to know were selling counterfeit goods.

104 The second decision is *L'Oréal SA v eBay International AG* [2011] RPC 27 ("*L'Oréal*"), a judgment of the CJEU. The plaintiffs ("L'Oréal") commenced proceedings against eBay for, *inter alia*, displaying on its website signs identical or similar to L'Oréal's trade marks. The CJEU held (at [102]) that "use" of a sign by a party referred to use in its own commercial communication. Thus eBay, which provided a service consisting in enabling its customers to display such signs on the eBay website in the course of their own commercial activities such as their offers for sale, did not itself "use" those signs. The "use" of the signs was made by the sellers who were eBay's customers, and not by eBay itself: *L'Oréal* at [103]. The CJEU also examined the circumstances in which the operator of an online marketplace might rely on the exemption from liability under Article 14 of Directive 2000/31 ("the E-Commerce Directive"), and held (at [113] and [124]) that in order to avail itself of the exemption, the operator must have confined itself to providing its service neutrally by a merely technical and automatic processing of the data provided by its customers, and cannot have been aware of facts or circumstances on the basis of which a diligent economic operator should have realised that the offers for sale in question were unlawful and thereafter failed to act expeditiously to remove the information.

105 Given the significant factual and legal complexities likely involved in the determination of whether the proposed principles on secondary trade mark

Version No 1: 27 Oct 2020 (22:40 hrs)

infringement apply in Singapore and whether the Defendants are liable for secondary infringement, I do not deem it appropriate for these issues to be decided by way of summary judgment. As Parker LJ held in *Home and Overseas Insurance Co. Ltd. v Mentor Insurance Co. (U.K.) Ltd. (in liquidation)* [1990] 1 WLR 153 at 158 (cited in *Singapore Civil Procedure 2016* vol 1 (Foo Chee Hock JC gen ed) (Sweet & Maxwell, 2016) at para 14/1/2):

> The purpose of Order 14 is to enable a plaintiff to obtain a quick judgment where there is plainly no defence to the claim. If the defendant's only suggested defence is a point of law and the court can see at once that the point is misconceived the plaintiff is entitled to judgment. If at first sight the point appears to be arguable but with a relatively short argument can be shown to be plainly unsustainable the plaintiff is also entitled to judgment. But *Order 14 proceedings should not in my view be allowed to become a means for obtaining, in effect, an immediate trial of an action, which will be the case if the court lends itself to determining on Order 14 applications points of law which may take hours or even days and the citation of many authorities before the court is in a position to arrive at a final decision.*
>
> [emphasis added]

106 In any event, I observe (without making any conclusive findings thereon) that both *Tiffany* and *L'Oréal* involve eBay, which, as I have discussed at [64] to [66] above, performs services which are different in legally significant aspects from those carried out by the SGbuy4u Business and Website. As the United States Court of Appeals in *Tiffany* held (at 97), eBay connects buyers and sellers and enables transactions which are carried out directly between eBay members, but does not itself sell the items listed for sale on the site, nor does it ever take physical possession of them. The CJEU in *L'Oréal* similarly observed (at [28]) that the listings of goods offered for sale on eBay come from persons who have registered for that purpose with eBay and who have created a seller's account with eBay. Further, as pointed

Version No 1: 27 Oct 2020 (22:40 hrs)

out by the Plaintiffs themselves,[136] there is no equivalent of the E-Commerce Directive in Singapore.

Whether innocence is a defence in an action for trade mark infringement

107 The Defendants submit that they had no knowledge that the goods that were ordered and bought by the Plaintiffs' representatives on the SGbuy4u Website were trade mark infringing goods.[137]

108 I find that this submission is misconceived. In a civil action for trade mark infringement, innocent infringement is not a defence. In *Creative Technology Ltd v Cosmos Trade-Nology Pte Ltd and another* [2003] 3 SLR(R) 697, the plaintiff sued the defendants for trade mark infringement after the defendants sold the plaintiff's investigators counterfeit sound cards bearing the plaintiff's registered marks. The second defendant argued that he was not aware that the cards were counterfeit sound cards and infringed the plaintiff's trade marks. Belinda Ang Saw Ean J held (at [16] to [17]) that the innocence of an infringer is of no relevance in a civil action. Ang J referred to the English case of *Gillette UK Limited and anr v Edenwest Limited* [1994] RPC 279, a judgment in an action for trade mark infringement, where Blackburne J held (at 290) that "it is well settled law, and has been for very many years, that innocence on the part of the infringer is no defence to a claim to damages".

109 As a final authority, I refer also to James Mellor *et al*, *Kerly's Law of Trade Marks and Trade Names* (Sweet & Maxwell, 15th Ed, 2011) at para 20-147, where the learned authors state as follows:

136 Plaintiffs' submissions dated 22 April 2016 at [53].

137 Defendants' submissions dated 15 March 2016 at [33]; Defendants' submissions dated 16 May 2016 at [34]; Affidavit of Tan Keng Hiang Jeffrey dated 6 April 2016 at [41].

Version No 1: 27 Oct 2020 (22:40 hrs)

> **Innocence no defence to damages**
>
> A defendant cannot avoid an order for an inquiry by showing that he infringed innocently. The claimant has a right to damages regardless of the defendant's state of mind, and that is so regardless of whether the cause of action is infringement of a registered mark, or passing off.

110 In my view, the propositions referred to in the preceding paragraph represent the law in Singapore and I accordingly reject the Defendants' submission that innocence – due to a lack of knowledge or awareness that the goods offered for sale pursuant to the First and Second Sample Purchases infringed the Plaintiffs' trade marks – is a defence in an action for trade mark infringement.

Conclusion

111 For the reasons stated above, I grant summary judgment in respect of the Plaintiffs' claim for trade mark infringement against the Second Defendant in the terms sought in SUM 388/2016. I disallow the Plaintiffs' application for summary judgment against the First and Third Defendants and order that the First and Third Defendants be given unconditional leave to defend the Plaintiffs' claims against them.

Version No 1: 27 Oct 2020 (22:40 hrs)

112 If no agreement on costs is reached, parties are to write in within two weeks for a hearing so that I can determine the appropriate cost orders to be made.

Chan Seng Onn
Judge

Sukumar s/o Karuppiah and Jaswin Kaur Khosa (Ravindran Associates) for the plaintiffs;
Chidambaram Selvaraj and Jonathan Ow (Apex Law LLP) for the defendants.

Version No 1: 27 Oct 2020 (22:40 hrs)