

**IN THE GENERAL DIVISION OF
THE HIGH COURT OF THE REPUBLIC OF SINGAPORE**

[2022] SGHC 226

Suit No 464 of 2021

Between

Triple D Trading Pte Ltd

... Plaintiff

And

Fanco Fan Marketing Pte Ltd

... Defendant

And Between

Fanco Fan Marketing Pte Ltd

... Plaintiff in Counterclaim

And

Triple D Trading Pte Ltd

... Defendant in Counterclaim

JUDGMENT

[Intellectual Property] – [Trade marks and trade names] – [Invalidity] – [Bad faith]

[Intellectual Property] – [Trade marks and trade names] – [Groundless threat]

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Triple D Trading Pte Ltd
v
Fanco Fan Marketing Pte Ltd

[2022] SGHC 226

General Division of the High Court — Suit No 464 of 2021

Dedar Singh Gill J
14–18 February, 22 April 2022

16 September 2022

Judgment reserved.

Dedar Singh Gill J:

1 The plaintiff is the registered proprietor of the “COFAN” trade mark. It commenced infringement proceedings against the defendant on 24 May 2021, asserting that the defendant’s use of the “CO-FAN” mark infringed its exclusive right to use the COFAN mark pursuant to s 27(2)(b) of the Trade Marks Act (Cap 322, 2005 Rev Ed) (the “TMA”). In its counterclaim, the defendant seeks invalidation of the COFAN mark on the ground that it was registered in bad faith pursuant to s 7(6) read with s 23(1) of the TMA. It further claims that groundless threats of trademark infringement were made by the plaintiff.

The parties

2 The plaintiff is a company in the business of selling fans. It is the proprietor of the trade mark “COFAN” registered in Singapore on 27 February

2019 under Trade Mark Number 40201904164S in respect of the following goods:

Class 9

Remote controls; Remote controllers; Remote control units; Remote control devices; Remote control apparatus; Remote control mechanisms; Remote control devices, electric; Radio receivers for remote controls; Electrical remote control apparatus; Remote control units for room heaters; Remote control apparatus for lighting units.

Class 11

Room fans; Ceiling fans; Ventilating fans; Electric ceiling fans; Ventilating fans for industrial purposes; Heaters; Water heaters; Storage heaters; Heaters for baths; Lights; Lighting; Light bulbs; Light fittings; LED light bulbs; Light assemblies; Decorative lighting sets.

3 Since the plaintiff’s incorporation on 1 June 2017, Mr Phua Kian Chey Colin (“Mr Phua”) has effectively been its sole director and shareholder.¹

4 The defendant company, incorporated on 17 May 2013, is likewise in the business of selling fans. The defendant’s founders and only shareholders are Mr Quek Lip Ngee (“Mr Quek”) and Mr Lim Boon Lee (“Mr Lim”). On 26 August 2002, Mr Quek and Mr Lim began a partnership known as Fanco Fan Marketing. The partners obtained registration for the “FANCO” mark in Class 11 on 13 December 2011.² Upon termination of the partnership, Mr Quek and Mr Lim incorporated the defendant. Ownership of the FANCO mark was then transferred to the defendant on 3 December 2015.³ As their business grew, Mr Quek and Mr Lim divided their labour across the causeway. Mr Quek was

¹ Phua Kian Chey Colin’s Affidavit of Evidence-in-Chief (“AEIC”) at para 20.

² Quek Lip Ngee’s AEIC at para 10.

³ Quek Lip Ngee’s AEIC at QLN-2.

responsible for the Singapore operations.⁴ Mr Lim spent most of his time in Malaysia managing Fanco Marketing Sdn Bhd and only returned to Singapore about once or twice a month.⁵

5 Mr Phua is a former employee of the defendant. He began working for Fanco Fan Marketing in 2009 and continued working for the defendant as a sales and marketing manager until December 2016.⁶ Mr Phua's evidence is that he left the defendant to set up the plaintiff as he had limited autonomy while working for the defendant and sought to "broaden [his] horizons".⁷ Sometime in February 2018, Mr Gary Pang ("Mr Pang"), Mr Phua's former colleague in the defendant, joined the plaintiff as a sales executive. The two are the core employees of the plaintiff.⁸ To date, nine of the defendant's former employees work for the plaintiff.⁹

Background to the dispute

6 Sometime in August 2019, the defendant launched a new line of fans bearing the mark "CO-FAN".¹⁰ This, it bears noting, resembles the COFAN trade mark save for the hyphen between the syllables of the former mark. Central to the present dispute are the divergent narratives proffered by the plaintiff and the defendant for the formulation of their respective marks. Both

⁴ Quek Lip Ngee's AEIC at para 7.

⁵ Lim Boon Lee's AEIC at para 7.

⁶ Phua Kian Chey Colin's AEIC at para 16.

⁷ Phua Kian Chey Colin's AEIC at para 17.

⁸ Phua Kian Chey Colin's AEIC at para 23.

⁹ Notes of Evidence ("NE") dated 15 Feb 2022 at p 27 ln 26–28.

¹⁰ Quek Lip Ngee's AEIC at para 48.

parties claim to have conceptualized the “COFAN”/“CO-FAN” mark independently. I set out their respective explanations below.

The plaintiff’s version

7 Mr Phua claims that after leaving the defendant to start the plaintiff, he chose the name “Triple D” as it was symbolic of his desire for the company to have at least three different “brands” of products. The first of the trilogy of brands was the “BESTAR” trade mark, which was registered in the plaintiff’s name on 3 July 2017.¹¹ Sometime in the latter half of 2018, Mr Phua and Mr Pang came up with the COFAN mark. In Mr Phua’s view, the COFAN mark was felicitous for the following reasons:¹²

(a) ‘COFAN’ was short for ‘Colin’s Fan’. ‘Colin’ is Mr Phua’s Christian name. The plaintiff avers that the inclusion of an element of Mr Phua’s name in product branding was also consistent with its prior BESTAR mark, which incorporated Mr Phua’s Chinese name (‘星’, which means ‘star’ in Chinese).

(b) Mr Pang felt that the first syllable of ‘COFAN’ could stand for ‘cooperation’. He thought this to be representative of the work dynamic within the plaintiff.

8 Shortly after, the plaintiff applied for the registration of the COFAN trade mark on 27 February 2019 (the “Application”). This, according to Mr Phua, was done in order to “reserve” the mark before further preparations were made for its use. The Application received no objections and was accepted

¹¹ Phua Kian Chey Colin’s AEIC at paras 22–25.

¹² Phua Kian Chey Colin’s AEIC at para 27.

by the Trade Marks Registry (the “Registry”) after the two-month period for filing opposition had lapsed. Mr Phua testified that it was after the opposition period that Mr Pang and him first made casual mention to industry counterparts that the plaintiff was planning to release fans bearing the COFAN mark to the market. However, Mr Phua explained that the plaintiff did not formally publicise nor apply the COFAN trade mark to its products as it was not ready for launch. Instead, the plaintiff was focused on building the BESTAR brand.¹³ In this regard, capital for funding the COFAN brand came from the plaintiff’s revenue from the sale of BESTAR products.¹⁴

The defendant’s version

9 The defendant’s narrative, on the other hand, is that the idea for the CO-FAN mark sprung from Mr Quek and Mr Lim’s strategy to diversify their business sometime in January 2016.¹⁵ In particular, Mr Quek and Mr Lim testified that at that point in 2016, fans sold under the FANCO mark were powered by alternating current (“AC”), which was largely associated with a lower price range in the market. It was thus their hope that the defendant could enter the market for direct current (“DC”) fans, which could command a higher price as they were quieter and consumed less power. Mr Lim therefore developed the CO-FAN mark for the defendant’s newly conceived DC fan product range by simply reversing the syllables of the defendant’s FANCO mark.¹⁶

¹³ Phua Kian Chey Colin’s AEIC at para 30.

¹⁴ Phua Kian Chey Colin’s AEIC at para 28.

¹⁵ Quek Lip Ngee’s AEIC at paras 12–14.

¹⁶ Lim Boon Lee’s AEIC at paras 11–13.

10 The defendant contends that Mr Phua learnt of Mr Quek and Mr Lim’s idea to launch products bearing the CO-FAN mark on two occasions. The first was some time in February 2016,¹⁷ when Mr Quek and Mr Lim shared their plans to sell fans bearing the CO-FAN mark with Mr Phua during an informal chat in the defendant’s offices (the “February 2016 Meeting”). The second instance was on 7 March 2016,¹⁸ when Mr Quek and Mr Lim held a meeting in Mr Quek’s office for a formal discussion of the plans to produce DC fans (the “March 2016 Meeting”). The March 2016 Meeting was allegedly attended by Mr Phua, Mr Lim, Mr Quek and Ms Claudia Fong (“Ms Fong”), who is the defendant’s human resource manager and Mr Quek’s wife. Mr Quek’s evidence is that, in the course of the March 2016 Meeting, it was decided that this new line of DC fans would bear the CO-FAN mark. In particular, the first “model” of fans with the CO-FAN mark would be named “HELI”.¹⁹ The “HELI” mark was, in effect, a secondary product identifier of the fans bearing the CO-FAN mark (the “HELI identifier”). At that point, “HELI” had already been applied to goods that the defendant sold in Malaysia.²⁰ In support of these discussions, the defendant exhibits handwritten minutes of the March 2016 Meeting (the “Minutes”),²¹ which the defendant alleges were taken contemporaneously by Mr Lim.²²

11 The defendant also details the preparatory steps it took prior to launching fans bearing the CO-FAN mark. These preparatory steps are distilled as follows:

¹⁷ Quek Lip Ngee’s AEIC at para 15.

¹⁸ Quek Lip Ngee’s AEIC at paras 16–20; QLN-3.

¹⁹ *Ibid.*

²⁰ Quek Lip Ngee’s AEIC at para 19

²¹ Quek Lip Ngee’s AEIC at QLN-3.

²² Lim Boon Lee’s AEIC at para 17.

(a) Sometime in January 2017, the defendant engaged Qiangjing Lightning Electrical Co Ltd (“Qiangjing”), a factory in China, as its manufacturer. Discussions were held with Qiangjing in order to refine and obtain the final prototypes for safety testing and eventual sale. These prototypes were shipped to Singapore sometime in 2018.

(b) On 9 November 2018, the defendant applied for “Certificates of Conformity” (“COCs”) from TÜV SÜD PSB (“PSB”). PSB is a conformity assessment body (“CAB”) designated by the Consumer Protection Safety Authority (“CPSA”) to certify that certain products satisfy the applicable safety standards and requirements. In order to obtain the COCs, the defendant also submitted test certificates which certified that the prototypes were electrically fit-for-purpose (the “Test Certificates”).

(c) On 7 June 2019, PSB issued the COCs in relation to all fans which the defendant submitted applications for. Shortly after, the defendant’s products were registered with CPSA on 11 June 2019. This enabled the defendant to affix its products with a “SAFETY Mark”. This was the final regulatory hurdle before the defendant could begin selling the fans.

Sale of CO-FAN and COFAN products

12 Following the aforementioned preparations, the defendant advertised and sold DC fans bearing the CO-FAN mark sometime in August 2019. These fans also bore the HELI identifier (hereinafter referred to as the “CO-FAN

HELI-marked fans”).²³ Mr Phua testified that he learnt of the defendant’s sale of fans bearing the CO-FAN mark sometime in late-2020.²⁴

13 According to Mr Quek, it was only later in April 2021 that the defendant sought legal advice as to whether the CO-FAN mark could be registered as a trade mark. Mr Quek attributes the delay to his preoccupation with investigations by the Inland Revenue Authority of Singapore (“IRAS”) in relation to fraud by Mr Quek and the defendant (the “IRAS Investigations”).²⁵ This, Mr Quek avers, relegated the defendant’s plans for obtaining trade mark registration for the “CO-FAN” mark to “low priority”.²⁶ It was at this time that the defendant learnt that the plaintiff was the registered proprietor of the COFAN trade mark. Shortly after, the defendant received a letter from the plaintiff’s lawyers dated 27 April 2021 demanding that the defendant immediately cease its use of the CO-FAN mark (the “27 April 2021 Letter”). This was closely followed by another letter from the plaintiff’s lawyers dated 30 April 2021 (the “30 April 2021 Letter”) which repeated the plaintiff’s demands. It is undisputed that, after these letters were sent, the plaintiff proceeded to launch its own fans bearing the COFAN mark on 2 May 2021. These fans also bore the secondary product identifier “HALI” (the “HALI identifier”). I hereinafter refer to fans bearing the COFAN mark and HALI identifier as the “COFAN HALI-marked fans”.

14 On 24 May 2021, the plaintiff filed the present action claiming that the defendant’s use of the CO-FAN mark infringed the plaintiff’s registration for

²³ Quek Lip Ngee’s AEIC at QLN-12

²⁴ NE dated 15 Feb 2022 at p 44 ln 10–12.

²⁵ Quek Lip Ngee’s AEIC at paras 26 and 34.

²⁶ Quek Lip Ngee’s AEIC at para 57.

the COFAN mark. The defendant filed its defence and counterclaim on 21 June 2021, seeking invalidation of the COFAN mark on the ground of bad faith. It also seeks relief arising from the plaintiff's alleged groundless threats of trademark infringement.

The parties' cases

15 The parties' arguments largely focus on the defendant's counterclaim, relating to the ground of bad faith under s 7(6) read with s 23(1) of the TMA. The defendant seeks to subvert the plaintiff's infringement claim on the basis that the registration of the COFAN mark is invalid because the Application was filed in bad faith. The defendant asserts that bad faith is made out in two main ways.

16 First, the defendant argues that Mr Phua learnt that the defendant intended to launch ceiling fans under the CO-FAN mark during the February 2016 Meeting and the March 2016 Meeting. As such, it avers that the plaintiff's application for registration of the COFAN trade mark on 27 February 2019 was made in bad faith due to Mr Phua's knowledge at the time.

17 Second, the defendant submits that the plaintiff's motive for registering the COFAN mark was to "free ride on the defendant's goodwill and reputation in its trade mark FANCO". It submits that bad faith can be inferred where the trade mark applicant knew that a third party had a claim to the goodwill in the mark, and further that in these circumstances, it is not necessary to show that the marks were confusingly similar.²⁷ On the facts, the defendant contends that Mr Phua, as the defendant's former sales and marketing manager, was well

²⁷ Defendant's Closing Submissions ("DCS") at para 23.

aware of the defendant's goodwill associated with the FANCO mark. It contends that the similarity between COFAN and FANCO supports an inference that the plaintiff intended to free ride on the defendant's goodwill when it made the Application.²⁸ The defendant also points to the plaintiff's adoption of HALI as a secondary identifier (shortly after the defendant had adopted a similar secondary identifier on the CO-FAN HELI-marked fans) as evidence of an intention to free ride.

18 The defendant therefore asserts that a *prima facie* case of lack of good faith arises on the evidence and that the plaintiff has failed to fulfil the evidential burden to prove the contrary. It contends that the plaintiff's explanation of how the COFAN mark was conceptualized, *ie*, that it was an amalgamation of the first syllable of Mr Phua's Christian name and the word 'fan', is contrived and cannot be believed. Flowing from its argument regarding the invalidity of the COFAN registration, the defendant also seeks relief for groundless threats of trade mark infringement proceedings under s 35 of the TMA in relation to the 27 April 2021 Letter and the 30 April 2021 Letter (collectively referred to as the "April 2021 Letters").

19 The plaintiff denies that the COFAN trade mark was registered in bad faith. It contends that the test for bad faith is not made out on the facts. The plaintiff denies that it had knowledge that the defendant intended to use the CO-FAN mark at the point of the Application on 27 February 2019.²⁹ The plaintiff submits that the defendant lied about coming up with the CO-FAN mark in 2016. It filed several notices disputing the authenticity of the documentary evidence adduced by the defendant to prove that it had taken preparatory steps.

²⁸ DCS at Section E.

²⁹ Plaintiff's Closing Submissions ("PCS") at para 25.

20 As such, the plaintiff argues that the defendant has infringed the plaintiff's registration under s 27(2)(b) of the TMA by the use of a similar mark for identical goods in Classes 9 and 11. It seeks an injunction to restrain the defendant from its alleged infringing conduct, an order for delivery up of all the infringing goods in the defendant's possession, and an inquiry as to damages arising from the infringement.

21 The plaintiff further argues that the defendant's claim for groundless threats is unsustainable, as the alleged threat of proceedings was in respect of the application of the infringing CO-FAN mark to the defendant's goods and/or material used for labelling or packaging goods.³⁰ In this regard, it also argues that invoices detailing the cancellation of orders of the defendant's goods were fabricated and thus the defendant could not show any loss arising from these alleged threats in any case.

Decision

Bad faith

22 I begin with the issue of bad faith, which is the key issue in the present proceedings. Sections 23(1) and 7(6) of the TMA provide:

Grounds for invalidity of registration

23.—(1) The registration of a trade mark may be declared invalid on the ground that the trade mark was registered in breach of section 7.

...

Absolute grounds for refusal of registration

7.— ...

³⁰ PCS at para 95; Plaintiff's Opening Statement at paras 75–81.

(6) A trade mark shall not be registered if or to the extent that the application is made in bad faith.

23 The TMA does not otherwise define bad faith. The authors of *Intellectual Property Law* (Oxford University Press, 5th Ed, 2018) (“*Bently & Sherman*”) observe that a satisfactory definition of “bad faith” has often eluded the courts (at p 1017). In the leading case of *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 (“*Gromax Plasticulture*”) at 379, however, Lindsay J aptly remarked (in the context of the UK Trade Marks Act 1994):

Parliament has wisely not attempted to explain in detail what is or is not bad faith in this context; how far a dealing must so fall-short in order to amount to bad faith is a matter best left to be adjudged not by some paraphrase by the courts (which leads to the danger of the courts then construing not the Act but the paraphrase) but by reference to the words of the Act and upon a regard to all material surrounding circumstances.

24 Notwithstanding the nebulous nature of the concept, a considerable body of local case law has served to delineate the contours of bad faith in the context of s 7(6) of the TMA. These principles were summarised in *Tomy Inc v Dentsply Sirona Inc* [2020] 5 SLR 424 (at [32]), the relevant portions of which I reproduce below:

(a) Bad faith constitutes one exception to the “first-to-file system”: *Hotel Cipriani Srl and others v Cipriani (Grosvenor Street) Ltd and others* [2008] EWHC 3032 (Ch) (“*Cipriani*”) at 185, which was upheld on appeal in *Hotel Cipriani Srl and others v Cipriani (Grosvenor Street) Ltd and others* [2010] EWCA Civ 110. Based on the “first-to-file system”, the first person to file a trade mark application is usually “entitled to register it in preference to a later applicant”: *Cipriani* at 178.

(b) Bad faith “is to be determined as at the date of application and matters which occurred after the date of application which may assist in determining the applicant’s state of mind as at the date of application can be taken into consideration”: *Festina Lotus SA v Romanson Co Ltd* [2010] 4 SLR 552 (“*Festina Lotus*”) at [100]; see also *Cipriani* at 166 to 167.

(c) Bad faith “includes dishonesty and... includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area being examined”: *Gromax Plasticulture* at 379, affirmed in *Valentino Globe BV v Pacific Rim Industries Inc* [2010] 2 SLR 1203 (“*Valentino*”) at [25]. The test is a “combined” one and “contains both a subjective element (*viz*, what the particular applicant knows) and an objective element (*viz*, what ordinary persons adopting proper standards would think)”: *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd* [2009] 2 SLR(R) 814 (“*Wing Joo Loong*”) at [105]; affirmed in *Valentino* at [29]; see also *Cipriani* at 166 to 167.

(d) Bad faith requires a holistic assessment. As summarised in *Bently & Sherman* at p 1019, the court ought to take the following into account:

(i) whether the applicant *knows or must know* that a third party is using an identical or similar sign for an identical or similar product capable of being confused with the sign for which registration is sought; (ii) the applicant’s *intention* to prevent that third party from continuing to use such a sign; and (iii) the degree of legal protection enjoyed by the third party’s sign and by the sign for which registration is sought.

[emphasis in original]

This was in reference to *Chocoladefabriken Lindt & Sprüngli AG v Franz Hauswirth GmbH (Case C-529/07)* [2009] ETMR 56 (the “Lindt case”) at [37]–[38], which has been affirmed in *Philip Morris Products S A v PT Perusahaan Dagang Dan Industri Tresno* [2010] SGIPOS 8 at [219].

(e) Bad faith has “moral overtones which appear to make it possible for an application for registration to be rendered invalid... by behaviour which otherwise involves no breach of any duty, obligation, prohibition or requirement that is legally binding upon the applicant”: *Demon Ale Trade Mark* [2000] RPC 345 at 356; affirmed in *Valentino* at [26].

(f) The “legal burden of proof needed to substantiate an action for revocation and/or invalidation of the registration of a trade mark lies throughout on the plaintiff”: *Wing Joo Loong* at [33]; see also *Cipriani* at 177. Where allegations of bad faith are concerned, the “standard of proof is on the balance of probabilities, but cogent evidence is required due to the seriousness of the allegation”: *Cipriani* at 177; see also *Valentino* at [30]. Nevertheless, a conclusion of bad faith is “largely, if not invariably, based on circumstantial evidence”: see *Festina Lotus* at [115]; see also *Brutt Trade Marks* [2007] RPC 19 at [29]–[30] and Ng-Loy Wee Loon, *Law of Intellectual Property of Singapore* (Sweet & Maxwell, 2nd Ed, 2014) at para 21.4.1.

(g) The bad faith inquiry is a fact-sensitive one that demands careful examination of all the relevant circumstances. In this regard, the nature of parties’ pre-existing relationship is a factor relevant to the determination of bad faith: see *Nautical Concept Pte Ltd v Jeffery Mark Richard* [2007] 1 SLR(R) 1071 at [24]–[27]. Examples include “an

applicant attempting to register the trade mark of a competitor, an ex-employer, a supplier, a licensor or any party with whom the applicant has or had a contractual or pre-contractual relationship”: see Tan Tee Jim, *Law of Trade Marks and Passing Off in Singapore* (Sweet & Maxwell, 3rd Ed, 2014) at para 7.178.

25 To the foregoing, I add that there is a body of local case law that has consistently adopted the position that a likelihood of confusion (in the sense intended by s 8(2) of the TMA) is not necessary in order for a finding of bad faith to be made: see *Rothmans of Pall Mall Ltd v Maycolson International Ltd* [2006] 2 SLR(R) 551 at [29]; *Valentino* at [20]; *Festina Lotus* at [113]. This position is not inconsistent with that in European jurisprudence: see *Koton Mağazacılık Tekstil Sanayi ve Ticaret v EUIPO* Case (C-104/18 P, EU:C:2019:724) (“*Koton*”) at [48]–[52]; [55]–[56]. In *Koton*, the appellant argued that the General Court had erred in its interpretation of the *Lindt* case. The General Court had concluded that the *Lindt* case meant that bad faith could not arise under Article 52(1)(b) of Regulation No 207/2009 (which is equivalent to s 7(6) of the TMA) in the absence of a confusing similarity. The Court of Justice of the European Union allowed the appeal, and clarified the position on the factors listed by the court in the *Lindt* case (summarised at [24(d)] above):

48 In [*Lindt*], the Court... was specifically asked about the situation where, at the time of the application for the contested mark, several producers were using, on the internal market, identical or similar signs for identical or similar products, which was capable of giving rise to confusion...

49 Thus, and while the issue of the assessment of the existence of bad faith was different from that of the assessment of the existence of a likelihood of confusion, those two concepts of trade mark law being separate, the Court was asked to set out criteria to assess whether there is bad faith in a situation in which it has been established that there exists a likelihood of confusion.

50 The Court replied that, in such a case, it is necessary to consider ... whether the applicant for a trade mark knew or should have known that a third party was using... the sign capable of being confused with the sign applied for...

51 *It does not follow from that judgment that the existence of bad faith... may only be established in the situation... where there is use on the internal market of an identical or similar sign for identical or similar goods capable of being confused with the sign for which registration is sought.*

52 There may be situations... where the application for registration of a trade mark is liable to be regarded as having been filed in bad faith notwithstanding the fact that, at the time of that application, there was no use by a third party on the internal market of an identical or similar sign for identical or similar goods.

...

55 It is to be inferred from the interpretation provided by the Court in paragraph 53 of [*Lindt*] merely that, where it is established that use by a third party of an identical or similar sign for identical or similar goods or services existed and was capable of causing confusion, it is necessary to examine, in the context of the overall assessment of the relevant circumstances of the particular case, whether the applicant for the contested mark had knowledge of this. *That factor is, however, only one relevant factor among others to be taken into consideration.*

56 ... [*I*]t must be held that, in the absence of any likelihood of confusion between the sign used by a third party and the contested mark, or if there has been no use, by a third party, of a sign identical with, or similar to, the contested mark, other factual circumstances may, depending on the circumstances, constitute relevant and consistent indicia establishing the bad faith of the applicant.

[emphasis added]

26 With these principles in mind, I turn to the first of the defendant's two contentions. This is that the plaintiff had knowledge of the defendant's plans to use the CO-FAN mark. The defendant alleges that Mr Phua was present at the February 2016 Meeting and that he participated in the March 2016 Meeting. I deal with each meeting in turn.

Whether the plaintiff had knowledge of the defendant's plans to use the CO-FAN mark

(1) The February 2016 Meeting

27 Mr Quek and Mr Lim's affidavit evidence is that sometime in February 2016, Mr Lim, Mr Quek and Mr Phua had an informal discussion where Mr Lim and Mr Quek first canvassed the idea of "launching a new line of DC fans and, in particular, higher-end fans in this line under the brand name 'CO-FAN'".³¹ Mr Phua, on the other hand, denies that this meeting took place. There is no objective evidence that points in favour of either parties' testimony. Mr Quek and Mr Lim were not able to provide greater detail as to what transpired at the meeting. When cross-examined, Mr Quek was unable to accurately recall when the alleged informal discussion had taken place. He first stated that the meeting happened in January 2016 before correcting himself and aligning his testimony with that in his affidavit evidence. In light of the paucity of reliable evidence, I find the defendant has failed to satisfy me that the February 2016 Meeting occurred.

(2) The March 2016 Meeting

28 Turning to the March 2016 Meeting, the defendant relies on the Minutes to substantiate its case. The plaintiff, however, alleges that the Minutes were forged and that no such meeting had transpired.

29 The Minutes of the March 2016 Meeting were allegedly hand-written by Mr Lim. The Minutes reflect that the March 2016 Meeting began at 10.50 am, and that its subject matter was a "Discussion for New Launch Brand (CO-

³¹ Quek Lip Ngee's AEIC at para 15.

FAN)”. Mr Phua, Mr Lim, Mr Quek and Ms Fong are reflected as attendees. The Minutes list, in point form, the discussions held by the parties in attendance:

[Item 2]: First Product under CO-Fan will be Heli 56” – Discuss about specification of products, & size & color

...

[Item 4]: Person [*sic*] for using CO-Fan, to capture more market share

...

[Item 7]: [Mr Lim] have suggest using CO-Fan because of Reverse name of Fanco

30 While an allegation of fabrication is a serious one and should not be lightly made, there is little doubt in my mind that the Minutes were indeed forged. To elaborate, Mr Lim’s evidence during cross-examination was that the Minutes were the *only* written record ever taken in the course of the defendant’s existence from 2013 to 2021. Mr Quek and Mr Lim further testified that they did not have the practice of taking minutes during meetings regarding the defendant’s affairs. Mr Lim also testified that even on the occasions where he took notes for his own benefit, he eventually threw them away as they were insignificant.³² Set against this context, I find Mr Lim’s explanation that he went against the grain and decided to take minutes of the March 2016 Meeting because of its apparent significance incredible, not least because it suggested that there were no matters of at least equal importance that arose in the defendant’s eight year history.

³² NE dated 16 Feb 2022 at p 119 ln 1–18.

31 Moreover, despite the acclaimed importance of the Minutes, neither Mr Quek nor Mr Lim could explain why the Minutes were kept in Mr Lim's home rather than the defendant's offices:³³

Q: ... This is a meeting in relation to a company affairs, defendant's company's affairs.

A: Yes.

Q: So why are – didn't – why this [sic] document is not kept in the company's premises or at least where the company registered office is or where the secretarial office is? Because its company-related documents, right?

A: Mm.

Q: Why not? Where did you keep it? Why don't you keep it in the company premises? What's your answer?

A: (No audible answer)

Court: Mr Quek, if you don't have an answer, say you don't have an answer and –

...

A: I don't have an answer.

32 While the plaintiff raises other discrepancies such as the lack of advanced notice for a meeting of purported significance, I accept the defendant's explanation that small enterprises such as the defendant generally do not adhere to strict corporate secretarial practices. That said, in light of the overall circumstances set out in the preceding paragraph, I nonetheless have great difficulty accepting that the Minutes were an authentic record of what transpired at the alleged March 2016 Meeting. I therefore accept the plaintiff's submission that the Minutes were forged.

³³ NE dated 17 Feb 2022 at p 36 ln 26 to p 37 ln 8.

33 The defendant also called Ms Fong, who was allegedly present at the March 2016 Meeting, as a witness to corroborate its version of events. Ms Fong’s testimony, however, was unreliable. Despite being taken through the Minutes, she was unable to recollect any details of what had allegedly transpired during the meeting.³⁴ Further, Ms Fong’s testimony was inconsistent in certain material respects, such as whether she had taken notes of the March 2016 Meeting.³⁵ I therefore reject her evidence.

34 In the absence of any objective evidence proving that the March 2016 Meeting took place, I find that the defendant has failed to discharge its burden of proving so. It follows from my findings on the February and March 2016 Meetings that the defendant fails on its first ground of bad faith, *ie*, that sometime in 2016 Mr Phua gained knowledge of the defendant’s plans to use the CO-FAN mark.

Whether the plaintiff sought to free ride on the goodwill in the business associated with the FANCO mark

35 I turn to the defendant’s second contention, which is that the plaintiff intended to “free ride on the goodwill and reputation of the defendant’s FANCO mark” when it applied to register the CO-FAN mark.³⁶

36 I make a preliminary observation in relation to the defendant’s use of the phrase “free ride on the goodwill”. The use of this phrase may give rise to confusion. The tort of passing off protects the goodwill of a trader from damage by a misrepresentation. The misrepresentation can arise by, *inter alia*, the use

³⁴ See for *eg*, NE dated 18 Feb 2022 at p 105.

³⁵ NE dated 18 Feb 2022 at p 93 ln 11–14; p 100 ln 4–5.

³⁶ DCS at Section E.

of a confusingly similar mark. The defendant is not relying on the ground of passing off provided by s 8(7)(a) of the TMA to invalidate the registration. As such I do not understand the defendant’s use of the phrase “free ride on the goodwill” to refer to damage to the defendant’s goodwill in the sense required by the passing off ground.

37 Having assessed the evidence, I find that the plaintiff indeed made the Application in bad faith.

38 I begin with the nexus between the parties on which a finding of bad faith is usually premised: *Festina Lotus* at [115]. In the present context, Mr Phua’s prior employment with the defendant, and the similarities between the FANCO and COFAN marks, form a clear nexus between the parties. To the latter, it is clear, in my view, that these marks bear *some* similarity. Both marks comprise the same letters and are merely reversals of the syllables of the other mark. I add, however, that this should not be construed as a finding that the COFAN and FANCO marks are confusingly similar (see [25] above). Confusing similarity, in the sense set out in s 8(2) of the TMA, is not in issue in the present proceedings nor has it been pleaded by the parties. In any case, I am of the provisional view that the marks are not confusingly similar; that the registration of the COFAN mark was accepted by the Registry without issue also indicates so. Instead, the extent of similarity between the marks forms the basis on which an inference of bad faith, taken together with all the relevant circumstances, may be drawn. As Tay Yong Kwang J (as he then was) astutely observed in *Festina Lotus* (at [115]):

... [D]espite the broad nature of the notion of bad faith, one must show some sort of nexus between the parties in dispute. Otherwise, the notion of bad faith would have to be decided in vacuum. A clear-cut example of such a nexus would be an outright copying of the proprietor’s mark such that the two

competing marks are practically identical. However, the nexus may be in the guise of something more subtle. In finding a nexus between the parties, a parallel may be drawn between ss 8(2)(b) and 7(6) TMA. For example, there may be cases where although there is some similarity of marks or of the goods or services, it falls short of confusing similarity (*ie*, no likelihood of confusion) within the meaning of s 8(2)(b) TMA. *Nevertheless, the evidence of this similarity may be taken into account and considered against the background facts from which bad faith may be inferred. In other words, while the finding of bad faith is largely, if not invariably, based on circumstantial evidence, the party alleging bad faith needs to show some link between the parties, perhaps by way of a pre-existing relationship or some acts of association with the proprietor or some nexus between the two competing marks.*

[emphasis in original omitted, emphasis added]

39 In this regard, I do not accept Mr Phua's explanation that the COFAN mark is his independent and original creation. As detailed at [7] above, Mr Phua's evidence is that the COFAN mark is an amalgamation of his Christian name with the word 'fan'. However, when confronted in cross-examination regarding the fact that the COFAN mark was a mere reversal of the syllables of the defendant's FANCO mark, Mr Phua testified that it simply did not occur to him that this was so.³⁷ This, to my mind, is incredible, particularly in light of Mr Phua's seven years of working for the defendant, whose name includes the word 'Fanco'.

40 Further, notwithstanding my findings regarding the February 2016 Meeting and the March 2016 Meeting, I accept that the defendant had indeed taken preparatory steps (as summarized at [11]) to use the CO-FAN mark as early as 9 November 2018. As such, the plaintiff's assertion that the defendant adopted the CO-FAN mark only after it heard about the plaintiff's plans to do so cannot be true, as both Mr Phua and Mr Pang's evidence is that the *first time*

³⁷ NE dated 15 Feb 2022 at p 35 ln 10–26.

they had disclosed the defendant's plans to launch fans bearing the COFAN mark was sometime in April or May 2019.

41 In order to prove that it had taken these preparatory steps, the defendant exhibited the following documents, many of which bear mention of the CO-FAN mark on their face:

(a) A written confirmation of Mr Quek's purchase order with Qiangjing, which contained a rough sketch of the prototype Qiangjing was to produce (the "Written Confirmation"). This prototype was labelled "CO-FAN HELI 56"/66"". The Written Confirmation was initially dated "18 January 2016", although Mr Quek's affidavit evidence was that he had intended to write 18 January 2017 instead. The Written Confirmation further reflects a "Purchase Order" of 500 pieces each of "HELI 56"" and "HELI 66"".

(b) An application form dated 9 November 2018 sent by the defendant to PSB in order to obtain COCs (the "PSB Application"). The description of the controlled goods for which the PSB Application was made had "CO-FAN" listed as its "Trade Name", and "HELI" as its "Model Number".

(c) An e-mail dated 9 November 2018 sent by Ms Toh Lay Chun ("Ms Toh"), a representative of PSB, informing the defendant that she had received the PSB Application (the "PSB E-mail"). Attached to the e-mail was the application number for each of the fan models the defendant sought COCs for. These attachments contained application numbers for both "FANCO" and "CO-FAN"-marked fans (the "Attachments"). A subsequent e-mail dated 12 November 2018 sent by Ms Toh was also adduced.

(d) A test report dated 15 April 2019 issued by PSB, setting out the mechanical tests conducted between 21 November 2018 and 13 March 2019 on various fan models for which certification was sought (the “Test Report”). The CO-FAN mark appears numerous times in the “Trade Name” field, corresponding to the model names that were allocated application numbers in the PSB E-mail.

(e) The COCs dated 7 June 2019 issued by PSB to the defendant, certifying that the defendant’s CO-FAN HELI-marked fans met the requisite regulatory requirements.

42 The plaintiff filed notices disputing the authenticity of all the aforementioned documents, save for the COCs. In its written submissions, it challenged only items [41(a)] to [41(c)]. I set out the plaintiff’s arguments on authenticity before dealing with its challenge to the defendant’s preparatory steps as a whole.

43 Beginning with the Written Confirmation, the plaintiff highlights that its initial date of “18 January 2016” suggests that the Written Confirmation was likely an order made in January 2016 for 500 fans to be sold under the *FANCO*, rather than CO-FAN, mark. It further submits that the defendant had tampered with the document by adding the word “CO-FAN” to create a false impression of the purpose of the purchase order. The plaintiff also challenges the defendant’s evidence that he was unable to produce the original correspondence with Qiangjing due to his phone being confiscated by IRAS. In this regard, the plaintiff points to the fact that Mr Quek could have easily obtained the WeChat conversations by initiating contact with Qiangjing for a record of their

correspondence. Mr Quek acknowledged that he could have done so but conceded that he did not.³⁸

44 Next, the plaintiff alleges that the PSB Application adduced is not a genuine copy and was allegedly tampered with by the defendant after 9 November 2018 to give the false impression that the defendant had already come up with the CO-FAN mark. The plaintiff relies on Ms Toh's concession in cross-examination that the PSB Application adduced was not the original stored in PSB archives³⁹ and was actually provided by the defendant.⁴⁰ Certain discrepancies that appeared on the face of the adduced PSB Application were also highlighted to buttress the plaintiff's claim of tampering.⁴¹

45 Turning to the PSB E-mail, the plaintiff takes issue with the fact that it appears that the entire chain of e-mails between the defendant and PSB was not disclosed, as only the e-mails dated 9 November 2018 and 12 November 2018 were disclosed. Relying on its allegations of post-date tampering in relation to the PSB Application, the plaintiff asserts that the details of the Attachments could also have been incomplete as of 9 November 2018 and its veracity is thus suspect.

46 In my judgment, the plaintiff's arguments in relation to the PSB E-mail and the Attachments thereto are not convincing. First, its argument that there were undisclosed communications between PSB and the defendant was speculative at best. Second, it is unclear to me how the contents of the

³⁸ NE dated 17 Feb 2022 at p 33 ln 26–31; p 34 ln 1–18.

³⁹ NE dated 18 Feb 2022 at p 6 ln 4–28.

⁴⁰ NE dated 18 Feb 2022 at p 12 ln 24–32; p 13; p 14 ln 1–14.

⁴¹ PCS at para 82.

Attachments could have been altered after 9 November 2018, when they were clearly appended to an e-mail bearing that date. In this regard, I did not understand the plaintiff's submission to be that the PSB E-mail and the Attachments adduced in court were fabricated or altered by the defendant, but that PSB and the defendant had continued to fill in the details of the Attachments past the date of 9 November 2018. This, however, was no more than mere conjecture. As such, I am satisfied that the PSB E-mail and the Attachments were authentic. There is also no reason to doubt the authenticity of the Test Report, nor the COCs for that matter.

47 Turning to the Written Confirmation, I agree with the plaintiff that, in light of the reasons highlighted at [43], the authenticity of the Written Confirmation is doubtful. In particular, Mr Quek could not satisfactorily explain why he did not seek the relevant records of the WeChat conversations from Qiangjing despite accepting that he could have easily done so.⁴² This, however, does not detract from the reliability of the other documentary evidence highlighted in [41]. The documentary evidence satisfactorily establishes that the defendant had taken preparatory steps in relation to the CO-FAN mark and lends credence to the defendant's case that it conceived the CO-FAN mark on its own. This was not least because the various documents used in the course of its preparations contain mention of the CO-FAN mark prior to the plaintiff's application to register the COFAN trade mark.

48 As such, it is clear to me that the plaintiff's claim that the defendant adopted the CO-FAN mark only after it heard about the plaintiff's plans to do so sometime after April or May 2019 cannot be accepted. The PSB Application, for instance, evidences the use of the CO-FAN mark as early as 9 November

⁴² NE dated 17 Feb 2022 at p 33 ln 26–31, p 34 ln 1–18.

2018.⁴³ In any event, Mr Phua and Mr Pang had also conceded in cross-examination that they had no basis to make this allegation.⁴⁴

49 Another core aspect of the factual matrix was the conduct of the plaintiff subsequent to the Application. It is undisputed that the defendant had sold its CO-FAN HELI-marked fans more than a year prior to when the plaintiff launched its own COFAN HALI-marked fans on 2 May 2021. Against this backdrop, the defendant exhibits photos of the marketing brochures and product packaging for the CO-FAN HELI and the COFAN HALI-marked fans respectively and highlights several similarities between them.⁴⁵

50 The brochures for the respective products, for instance, depict a near-identical image of a six-bladed fan with a 56-inch blade length. A notable difference between the brochures, however, is that the COFAN HALI-marked fans retailed at \$1 cheaper.

51 The product packaging of the respective goods discloses even greater similarities. I highlight the following:

- (a) an identical picture of a 6-bladed fan above the fan model name;
- (b) the words “DC Motor Series”, “Modern Design, Eco-Friendly, Super-Silent” and “Energy Saving” on the top left-hand corner in the exact same font and format; and

⁴³ Phua Kian Chey Colin's AEIC at para 59.

⁴⁴ DCS at para 70; NE dated 15 Feb 2022 at p 37 ln 22 to p 38 ln 3; NE dated 14 Feb 2022 at p 20 lns 2 to 5.

⁴⁵ Quek Lip Ngee's AEIC at QLN-14.

- (c) the words “Remote Control Last Memory Function, DC Brushless Motor, ABS Blades, LED (Day/Warm/Cool White), 5/6 Speed (Reversible)” on the top right-hand corner in the exact same font and format.

52 When Mr Phua was confronted with these similarities in cross examination, his evidence was that they were the result of a *mere coincidence*. This was an incredible and unbelievable explanation given the sheer extent of similarities detailed above. Instead, these striking similarities suggest to me that the plaintiff had intentionally (and rather blatantly) sought to replicate the defendant’s product design and packaging in relation to the CO-FAN HELI-marked fans. The plaintiff launched the COFAN HALI-marked fans shortly after demanding that the defendant cease use of the CO-FAN mark via the 27 April 2021 Letter. It is clear from the brochures exhibited that the plaintiff then took the steps to undercut the defendant by retailing the fans at a \$1 discount. Taken together, this chronology gives rise to great suspicion regarding the *bona fides* of the plaintiff’s intentions at the time of the Application.

53 At this juncture of the analysis, I summarize the key findings:

- (a) The defendant has been the registered proprietor of the FANCO mark since 2013.
- (b) Mr Phua had worked for the defendant for seven years before he left to incorporate the plaintiff in 2016.
- (c) Shortly after, Mr Phua registered the COFAN mark. Mr Phua’s evidence that it did not occur to him that “COFAN” was merely a reversal of the syllables of “FANCO” is unbelievable,

especially in light of his employment history with the defendant (at [39]).

- (d) The defendant had taken preparatory steps in relation to the CO-FAN mark as early as 9 November 2018. This means that the plaintiff's assertion that the defendant created the CO-FAN mark after learning of the plaintiff's COFAN mark in 2019 cannot be true (at [48]).
- (e) After learning that the defendant was selling the CO-FAN HELI-marked fans, the plaintiff demanded via the 27 April 2021 Letter that the defendant cease use of the CO-FAN mark. Shortly after, the plaintiff launched its COFAN HALI-marked fans, using packaging and brochures which bore uncanny similarities to those used by the defendant (at [52]).
- (f) The plaintiff's explanation that the similarities between the packaging and brochures were merely coincidental is incredible (at [52]).

54 Tying the various threads together, there is no doubt in my mind that the plaintiff registered the COFAN mark in bad faith. Taking the subjective component of the "combined" test of bad faith, I find that the plaintiff, through Mr Phua, had knowledge of the similarities between the COFAN and FANCO marks at the point of the Application (see [39] above). Further, I find that by virtue of Mr Phua's previous employment with the defendant, the plaintiff was aware of the goodwill the defendant enjoyed in its business under the FANCO mark. Taken together, the plaintiff's subsequent conduct in launching the nearly identical COFAN HALI-marked fans (all while also attempting to stifle the sale of the defendant's CO-FAN HELI-marked fans) creates the unmistakable

impression that the plaintiff intended to capitalize on the defendant's goodwill at the point the Application was made. In my judgment, such conduct clearly falls foul of the objective component of the test; it cannot be said that the plaintiff's actions meet the standards of acceptable commercial behaviour observed by reasonable and experienced men.

55 The consequence of this is that the defendant succeeds in its counterclaim for the invalidation of the plaintiff's COFAN mark registration. The plaintiff's infringement action thus falls away.

Groundless threats

56 The next issue is whether the plaintiff made groundless threats of trade mark infringement against the defendant. Section 35 of the TMA provides relief for groundless threats of trade mark infringement proceedings. The relevant portion of s 35 of the TMA is as follows:

35.—(1) Where a person threatens another with proceedings for infringement of a registered trade mark other than —

- (a) the application of the mark to goods or to material used or intended to be used for labelling or packaging of goods;
- (b) the importation of goods to which, or to the packaging of which, the mark has been applied; or
- (c) the supply of services under the mark,

any aggrieved person may bring proceedings for relief under this section.

57 The applicable test to make out a claim under s 35 TMA is laid out in *Dr Babor GmbH & Co KG and another v Sante De Beaute Pte Ltd* [2018] 5 SLR 928 (“*Dr Babor*”) at [30] as follows:

- (a) the defendant made a threat to sue for trade mark infringement;

- (b) the threat did not relate to acts of infringement that fall within ss 35(1)(a) – 35(1)(c) of the TMA; and
- (c) the plaintiff was an aggrieved person within the meaning of s 35(1) of the TMA.

58 I assess these limbs in turn.

Whether the April 2021 Letters contained threats

59 The defendant submits that the April 2021 Letters each contained statements that constituted a “threat”.⁴⁶

60 The defendant relies on the English case of *Best Buy Co Inc v Worldwide Sales Corp Espana SL* [2011] FSR 742 (“*Best Buy*”) on what constitutes a “threat” under s 35 of the TMA. In *Best Buy*, the English Court of Appeal had to deal with the issue of whether the contents of a letter constituted a threat for the purposes of the then s 21(1) of the Trade Marks Act 1994 (“UK TMA”) (the old s 21(1)). The old s 21(1) was the equivalent of s 35(1) of the TMA. I clarify here that the groundless threats provisions in the UK TMA have since been amended by the Intellectual Property (Unjustified Threats) Act 2017, an Act which replaced the old s 21 with ss 21-21F. Returning to the decision in *Best Buy*, the court held that whether a “threat” arises is an assessment made (at [18]):

... by reference to what a reasonable person, in the position of the recipient of the letter, with its knowledge of all the relevant circumstances as at the date the letter was written, would have understood the writer of the passage to have intended, when read in the context of the letter as a whole...

⁴⁶ DCS at Section IV.A.

61 I accept the defendant’s reliance on *Best Buy*. In *Dr Babor*, Chan Seng Onn J (as he then was) held that the applicable approach to the first limb is to construe the relevant correspondence in accordance with the perspective of a reasonable person in the shoes of the recipient, with the knowledge of all the relevant circumstances as at the date of the correspondence: at [39]. To my mind, there is little material difference between the approaches laid out in *Dr Babor* and *Best Buy*. It is sensible to construe “threats” objectively, *ie*, from the perspective of the reasonable person with knowledge of all the relevant circumstances at the time of correspondence. In my view, this is in line with the underlying rationale of the groundless threats provision, which aims to strike a satisfactory balance between the protection of existing intellectual property rights and the prevention of “bullying” tactics where rights-holders use the threat of infringement proceedings to chill legitimate commercial activity: *Singsung Pte Ltd v LG 26 Electronics Pte Ltd (trading as L S Electrical Trading)* [2016] 4 SLR 86 (“*Singsung*”) at [129].

62 In *Best Buy*, the court stated (at [20]):

It is well established that it is unnecessary for a claimant in a case such as this

“to prove that the defendant has in so many words said: ‘I intend to issue a writ against you for infringement ...’. The terms of the Act are satisfied if the defendant in the action is proved to have asserted that he has legal rights in respect of the [intellectual property] and that he intends as against the [claimant] to enforce those rights” – per Romer J in *John Summers & Sons Ltd v Cold Metal Process Co* (1948) 65 R.P.C. 75, 95, quoting in turn from Bennett J. in *Wilson & Bates Ltd v Tilley Lamp Co* (1944) 61 R.P.C. 8 at [11].

I find this approach in *Best Buy* to be sound given the innumerable ways in which threats of infringement may be made. Nothing in s 35 TMA, or the TMA as a whole for that matter, requires the party asserting his trade mark rights against others to adopt specific language in threats of infringement proceedings.

63 The defendant cites the case of *Tech 21 UK Ltd v Logitech Europe SA* [2015] Bus LR 1276 (“*Tech 21 UK*”) as an instance of a “threat” in the context of the old s 21 of the UK TMA. In *Tech 21 UK*, the English High Court assessed whether the statements contained in a cease and desist letter sent by the defendant’s lawyers to the claimant were “threats” for the purposes of the old s 21. The letter identified allegedly infringing acts committed by the claimant and requested the claimant to cease the infringing conduct. The court, adopting (at [70]) the test in *Best Buy*, found that the phrase “... our client will reserve its rights to take legal action against you...” was sufficient to amount to a threat of infringement proceedings (at [81]).

64 The language used in the April 2021 Letters is similar to that employed in the cease and desist letter in *Tech 21 UK*. The 27 April 2021 Letter states that “[the defendant’s] actions amount to infringement of [the plaintiff’s] trademark”, and further that the letter constitutes notice to “[c]ease and desist from using the brand name “CO-FAN” or “COFAN” or any variation...”⁴⁷ The letter concludes with the statement that “[the plaintiff] reserves its rights to take action against [the defendant] for infringement of trademark and seek all applicable reliefs and orders against [the defendant]...” The 30 April 2021 Letter contains a similar concluding statement.⁴⁸ I am satisfied therefore that a reasonable person in the defendant’s position would perceive the statements contained in the April 2021 Letters as threats to sue for trade mark infringement.

⁴⁷ Agreed Bundle of Documents (“ABD”) at pp 477–478.

⁴⁸ ABD at pp 484–486.

Whether the threats related to acts of infringement that fall within ss 35(1)(a) – 35(1)(c) of the TMA

65 Turning to the second limb, the defendant submits that the threats in the April 2021 Letters were not made solely in relation to acts of infringement within ss 35(1)(a) – 35(1)(c), as the plaintiff had alleged in these letters that the defendant had continued *marketing* and *selling* the fans under the CO-FAN mark in infringement of the COFAN registration.⁴⁹ The defendant contends, therefore, that “[w]here threats extend to excluded acts within s 35 TMA but also go wider to encompass acts not excluded, such threats are also actionable under s 35 TMA at the suit of an aggrieved person”. It relies on *Best Buy* at [33] to support this contention.

66 The plaintiff argues that the defendant cannot rely on s 35(1) of the TMA because the alleged threat of proceedings was in respect of acts falling within the ambit of s 35(1)(a), *ie*, the application of the infringing CO-FAN mark to the defendant’s goods.⁵⁰ The plaintiff argues that “[i]n a commercial setting, when a mark is applied to goods or material used for labelling or packaging goods, it is with the intention to advertise and/or sell these goods”.⁵¹

67 In my judgment, the plaintiff’s argument is unfounded. Section 35(1) of the TMA is expressed in exclusionary language – any aggrieved person may bring a threats action when threatened with proceedings for infringement in relation to acts “other than” those listed in s 35(1)(a)–(c). Nothing in the language of subsections (a) to (c) indicates that threats made in relation to

⁴⁹ DCS at Section IV.B.

⁵⁰ PCS at para 95.

⁵¹ Plaintiff’s Reply Submissions at para 27.

further acts such as the sale and/or advertising of goods bearing the impugned mark are unactionable.

68 This conclusion is buttressed by s 27(4) of the TMA. In s 27(4), a distinction is drawn between a person who “applies [the mark] to goods or the packaging thereof” (s 27(4)(a)) and one who “offers or exposes goods for sale” (s 27(4)(b)) or “uses the sign in advertising” (s 27(4)(c)). This suggests that s 35(1)(a) of the TMA should not be interpreted in the manner argued by the plaintiff, *ie*, to go beyond the mere affixation of the mark to the subsequent *use* of the mark when so affixed.

69 In *Dr Babor*, a similar result was arrived at in relation to s 35(1)(c) of the TMA (which refers to the supply of services under the contested mark). Chan J relied on *Best Buy*, where the English Court of Appeal held that the old s 21(1) of the UK TMA should be “construed by reference to [its] natural meaning” (*Best Buy* at [32]). In that case, Lord Neuberger also drew support for this conclusion from the distinction drawn between a person who “offers or supplies services under the sign” and one who “uses the sign on business papers or in advertising” under the then s 10(4) of the UK TMA. This reasoning was adopted in *Dr Babor* as s 27(4) of the TMA draws a similar distinction (at [57]). It was thus held in *Dr Babor* that the ordinary language of s 35(1)(c) of the TMA did not support the interpretation that the *advertising* of services using the mark fell within the provision (*Dr Babor* at [57]).

70 As I briefly noted above, the position in the UK has since been legislatively amended. Following the Intellectual Property (Unjustified Threats) Act 2017, s 21A of the UK TMA now provides that no threat made to acts of primary infringement is actionable even if the threat also related to acts of secondary infringement committed by the same alleged infringer. The

broadening of the exclusionary provisions by s 21A was intended to address an issue which arose under the old s 21(1). This was that threats made to a manufacturer which related solely to the application of the mark were not actionable, while threats which mentioned the sale of the same goods were. According to a report of the UK Law Commission entitled “Patents, Trade Marks and Design Rights: Groundless Threats” (Law Com No 346) dated April 2014 (“the UK Law Commission Report”), this was not an accurate reflection of the commercial reality that manufacturers or importers were likely to be involved in the sale of the allegedly infringing goods as well (at paragraph 2.40).

71 This criticism is also mirrored in the plaintiff’s written submissions. The plaintiff submits that, should s 35(1)(a) TMA be taken literally, it would lead to the absurd result that it “can only warn the defendant against applying the [COFAN mark] to its [ceiling] fans, but cannot tell the defendant to stop making representations to the public that it is selling and advertising ceiling fans under the CO-FAN [mark]” without facing a possible threats action.⁵² Indeed, there is considerable force behind this submission. In addition, I agree with UK Law Commission Report at paragraph 2.41 that this hinders the settlement of disputes:

Correspondence with an alleged infringer often asks for undertakings not to do certain acts. If these are agreed, that can be enough to settle the dispute. However, asking for undertakings not to sell or distribute was enough to trigger the groundless threats provision, while not asking for them did not completely deal with the infringement.

However, until the prevailing legislative framework in Singapore undergoes similar development, I am satisfied that s 35(1)(a) TMA should be given its natural meaning.

⁵² *Ibid*

72 Turning to the facts of the present case, the plaintiff’s allegations clearly went beyond the mere affixation of the mark to the defendant’s goods. In the April 2021 Letters, the plaintiff alleged that the defendant had “continued to *market* [its] other products under the mark ‘CO-FAN’” and that it was “*advertising* the “CO-FAN brand on online platforms such as Lazada, Qoo10, Shopee etc” [emphasis added].⁵³ The acts referenced in the April 2021 Letters, therefore, extended also to the marketing of the CO-FAN-marked fans directly to consumers. As such, I agree with the defendant that the threats were not limited to acts that fell within s 35(1)(a) of the TMA.

Whether the defendant was an “aggrieved person”

73 Finally, I consider the third limb of the test. Section 35(1) of the TMA provides that “any aggrieved person” may bring proceedings for relief for groundless threats of infringement proceedings. In *Dr Babor*, the High Court (at [32]–[33]) adopted the test laid out in *Lee Tat Cheng v Maka GPS Technologies Pte Ltd* [2018] 1 SLR 856 (“*Lee Tat Cheng*”). In *Lee Tat Cheng*, the Court of Appeal defined the applicable approach to s 77 of the Patents Act (Cap 221, 205 Rev Ed) (“PA”). Section 77 of the PA is the equivalent provision for groundless threats in the context of patent infringement. The CA held that the grant of relief for groundless threats of infringement under s 77 PA was ultimately discretionary. In this regard, it explained that a claimant would not be “aggrieved” if he is unable to demonstrate that (a) he has suffered any loss as a result of the defendant’s threats; or (b) it is appropriate for the court to intervene by granting a declaration (to the effect that the threats are unjustified) or an injunction (to restrain the defendant from continuing the threats), even if the defendant’s threats were found to be groundless (at [104]–[109]).

⁵³ *Supra* footnotes 48 and 49.

74 The defendant submits that it is an “aggrieved person” under s 35(1) TMA.⁵⁴ Pursuant to s 35(2) TMA, it seeks: (a) an inquiry as to damages in respect of any loss the defendant has suffered as a result of the threats; (b) an injunction to restrain the threats; and (c) a declaration that the threats were unjustifiable.⁵⁵ The defendant’s evidence on this third limb is that shortly after it had received the 27 April 2021 Letter, it received calls from several distributors stating that they were contacted by the plaintiff’s representatives and informed that the plaintiff was suing the defendant for infringing the COFAN mark. According to Mr Quek’s affidavit evidence, these distributors cancelled their orders for the defendant’s CO-FAN-marked fans as a result. The defendant exhibits copies of “Sales Tax Invoices” and credit notes sent to four of its distributors to support its case that it suffered loss. These distributors are:

- (a) Effi Home Pte Ltd (“Effi Home”);
- (b) Kaze Lighting Pte Ltd (“Kaze Lighting”);
- (c) New Balestier Lighting Pte Ltd (“New Balestier Lighting”); and
- (d) Noble Lighting House Pte Ltd (“Noble Lighting House”).

Of the above distributors, the defendant called Mr Koh Kaiyi (“Mr Koh”) of Kaze Lighting and Mr Yap Tian Yong (“Mr Yap”) of Effi Home to testify.

75 In my judgment, the defendant has not shown that it was “aggrieved” in the sense that it had suffered loss as a result of the threats contained in the April 2021 Letters. Much of its evidence pertained to the alleged cancellation of orders for the defendant’s CO-FAN-marked fans by the defendant’s

⁵⁴ DCS at Section IV.C.

⁵⁵ Defence and Counterclaim at para 24.

distributors. However, these cancellations emanated from what the defendant alleges were threats made by the plaintiff in *phone calls to the distributors*. In other words, such loss, even if shown, has nothing to do with the threats made in the April 2021 Letters.

76 In any case, the defendant was unable to demonstrate any causal link between the alleged phone calls and the cancellations. Both Mr Koh and Mr Yap spoke in concert that they had cancelled their orders *not* because of the threat of trademark infringement proceedings, but rather out of concern that the defendant's CO-FAN-marked fans would not sell as well relative to the lower price point of the plaintiff's COFAN-marked fans.⁵⁶ Further, Mr Koh and Mr Yap's concession that they continued to sell the defendant's CO-FAN-marked fans after they had cancelled their orders⁵⁷ supports the conclusion that the cancellations were made for reasons independent of the alleged threats. In light of the foregoing, it was clear that, at least in the case of Kaze Lighting and Effi Home, the loss claimed by the defendant did not arise *as a result* of the alleged groundless threats.

77 It is also unclear whether the cancellations effected by the other distributors, *ie*, New Balestier Lighting and Noble Lighting House, were a result of the alleged groundless threats as no witness from these distributors took the stand to give evidence. As such, I find that the defendant has failed to establish a causative link between the alleged loss suffered by the cancellation of these orders and the plaintiff's threats.

⁵⁶ Yap Tianrong's AEIC at para 14; Koh Kaiyi's AEIC at para 14.

⁵⁷ NE dated 17 Feb 2022 at p 163; 18 Feb 2022 at p 71.

78 I turn to the defendant’s claim for declaratory and injunctive relief. In my judgment, nothing in the evidence before me suggests that the plaintiff would persist in making further threats of infringement proceedings such as to justify injunctive relief. In terms of declaratory relief, it is also unnecessary for me to grant the said relief as the plaintiff’s infringement claim has been rejected. In the words of the CA in *Singsung* at [149] (where declaratory relief under s 200(1) of the Copyright Act (Cap 63, 2006 Rev Ed) was rejected): “To put it shortly, the appellant sued and lost and there is nothing more that needs to be said or done in this regard”. I therefore dismiss the defendant’s claim under s 35(1) of the TMA.

Conclusion

79 As the defendant has succeeded in its counterclaim for invalidation of the registration of the plaintiff’s COFAN mark in Classes 9 and 11 on the ground of bad faith under s 7(6) of the TMA, I grant an order in terms of prayer (1) of the defendant’s counterclaim and order that the plaintiff’s COFAN mark be expunged from the register. Accordingly, I dismiss the plaintiff’s claim in its entirety. However, as the defendant has not established that relief under s 35(2) of the TMA should be granted, no order in respect of prayers (2) to (4) of the defendant’s counterclaim is made.

80 I will hear the parties separately on costs.

Dedar Singh Gill
Judge of the High Court

Sarbrinder Singh s/o Naranjan Singh and Tay Yu E (Sanders Law
LLC) for the plaintiff and defendant in counterclaim;
Kang Choon Hwee Alban, Oh Pin-Ping and Loy Ming Chuen
Brendan (Bird & Bird ATMD LLP) for the defendant and plaintiff in
counterclaim.
