

**IN THE HEARINGS AND MEDIATION DEPARTMENT OF  
THE INTELLECTUAL PROPERTY OFFICE OF SINGAPORE  
REPUBLIC OF SINGAPORE**

Trade Mark No. T1104620F  
Hearing Date: 6 April 2017

**IN THE MATTER OF A TRADE MARK REGISTRATION BY**

**UNITED U-LI PROJECTS PTE LTD**

**AND**

**APPLICATION FOR DECLARATION OF INVALIDITY THEREOF BY**

**TAN BUCK HAI**

Hearing Officer: Cheng Pei Feng  
IP Adjudicator

Representation:

Ms Devi Haridas (Belinda Ang Tang & Partners) for the Applicant

Mr Aaron Thng (Amica Law LLC) for the Registered Proprietors

**GROUND OF DECISION**

1 United U-LI Projects Pte Ltd, are the Registered Proprietors (“the Proprietors”) of the following series of trade marks:

  
U-LI

(“the Subject Mark”), in Singapore in Class 06 in respect of “Cable trays of metal (other than electric); cable trunking of metal (other than electric); cable ducts made of metal (other than electricity); conduit fittings of metal (non-electric); pre-formed floor ducts of metal (non-electric); trunking (channels) of metal for electric cables.” The Subject Mark was registered in Singapore on 8 April 2011.

2 Tan Buck Hai (“the Applicant”) applied for a declaration of invalidity on 18 May 2015. A Counter-Statement was filed by the Proprietors on 17 September 2015 in defence of the registration of the Subject Mark.

3 The Applicant filed evidence in support of the invalidation on 16 May 2016. The Proprietors filed evidence in support of the registration on 16 September 2016. The Applicant filed evidence in reply on 30 December 2016. Following the close of evidence, a Pre-Hearing Review was held on 1 February 2017.

### **Grounds of Invalidation**

4 The Applicant has relied on three grounds of invalidation in the Trade Marks Act (Cap 332, 2005 Rev Ed) (“the Act”). They are:

- (i) Section 8(4)(a)-(b)(i) read with Section 23(3)(a)(iii)
- (ii) Section 8(7)(a) read with Section 23(3)(b) and
- (iii) Section 7(6) read with Section 23(1).

### **Applicant’s Evidence**

5 The Applicant’s evidence comprises the following:

- (i) A Statutory Declaration made by Tan Buck Hai, the Applicant, on 16 May 2016 in Singapore (“TBH-1”); and
- (ii) a Statutory Declaration in Reply made by the same Tan Buck Hai on 30 December 2016 in Singapore (“TBH-2”).

### **Proprietors’ Evidence**

6 The Proprietors’ evidence comprises a Statutory Declaration made by Ng Chay Hoe, director and shareholder of the Proprietors, on 16 September 2016 in Singapore (“NCH-1”).

7 None of the deponents were called to the stand as witnesses for cross-examination. The case therefore proceeded on the documentary evidence tendered by both sides. In these grounds of decision, references made to the evidence and relevant paragraphs should be taken to also include the exhibits referenced at those paragraphs.

### **Applicable Law and Burden of Proof**

8 As the applicable law is the Act, there is no overall onus on the Proprietors either before the Registrar during examination or in invalidation proceedings. The undisputed burden of proof in the present case falls on the Applicant.

### **Background**

9 To appreciate the circumstances of the present application, it would be useful to set out some history and background relating to the Subject Mark and the other related parties relevant to this application. The Applicant and the Proprietors are both not the manufacturers of the goods to which the Subject Mark is applied (“the Goods”) – the goods were described generally by the Applicant as “metal trunkings and trays for

cables” although it is noted that the description of the class of goods in Class 06 is much broader.

10 The manufacturer of the Goods is a Malaysian company, United U-LI (M) Sdn Bhd (“the Malaysian Manufacturer”). United U-LI (M) Sdn Bhd is in turn a wholly owned subsidiary of United U-LI Corporation Bhd, a public-listed company in Malaysia and the holding company of the U-LI group of companies. United U-LI Corporation Bhd appears to have begun its business in around 1983, using the “U-LI” mark to supply cable management and structural support systems in Malaysia and the region (see TBH-1, paragraph 7 and NCH-1, paragraphs 7-9). United U-LI (M) Sdn Bhd, the Malaysian Manufacturer, is the registered proprietor of the “U-LI” trade mark (Class 06) in Malaysia and the Applicant is not contesting this (see NCH-1, at paragraph 9; and TBH-2, paragraph 32). It may be noted that United U-LI (M) Sdn Bhd and United U-LI Corporation Bhd are not directly involved in the present application.

11 Sometime in 1993, the Malaysian Manufacturer started to sell and distribute the Goods in Singapore through a company called Choo Chiang Marketing Pte Ltd. The Applicant, also known as Houston Tan, was an employee in the company and appeared to have been responsible for dealing with the Malaysian Manufacturer on the distribution and sale of the Goods in Singapore. Choo Chiang Marketing Pte Ltd was subsequently replaced by Chastan Pte Ltd in 1994, which continued to sell and distribute the Goods in Singapore. The Applicant was also an employee in Chastan Pte Ltd and he continued to be responsible for liaising with the Malaysian Manufacturer on the Goods. This continued until 22 October 2003, when another company United U-LI Marketing Pte Ltd (“U-LI Marketing”) was set up and U-LI Marketing then sold and distributed the Goods in Singapore (see TBH-1, paragraphs 8-12).

12 The Applicant was initially one of the directors and a shareholder of U-LI Marketing when it was first incorporated in October 2003 but soon gave up both positions in January 2004 due to certain personal circumstances. The evidence was not clear whether Choo Chiang Marketing Pte Ltd was the first to start distributing in Singapore the Goods from the Malaysian Manufacturer, but that is not material for the present proceedings. What was not in dispute was that Choo Chiang Marketing Pte Ltd, Chastan Pte Ltd and U-LI Marketing were not the exclusive nor sole distributor of the Goods in Singapore and the Applicant did not seek to assert as much.

13 One of the directors and shareholders of U-LI Marketing was one Clement Ng Chay Hoe (“Ng”), who is also now the director and shareholder of the Proprietors. In March 2009, Ng resigned from U-LI Marketing. Just prior to this, Ng had incorporated United U-LI Projects Pte Ltd (the Proprietors) on 24 February 2009. The Proprietors also obtained the Goods from the Malaysian Manufacturer and supplied the Goods in Singapore for various construction projects. On 8 April 2011, the Proprietors registered the Subject Mark in Class 06. The Applicant claimed that he was not aware of this registration at that time.

14 In a separate application filed later on 19 September 2013, another company,

United U-LI Impex Pte Ltd, successfully registered the mark **U-LI** under Class 09 (Trade Mark No. T1314131D). Whilst not exactly the same, Trade Mark No. T1314131D comprised a single “U-LI” mark and was substantially similar in

appearance to the Subject Mark. United U-LI Impex Pte Ltd bears no relation to the Proprietors, the Malaysian Manufacturer or the U-LI group of companies. The Applicant's case was that he had incorporated United U-LI Impex Pte Ltd to act as his administrative agent and it was only at the time of this registration that the Applicant discovered that the trade mark was no longer available in Class 06. The Applicant subsequently arranged for ownership of Trade Mark No. T1314131D to be assigned by United U-LI Impex Pte Ltd to the Applicant himself. The assignment purportedly took place on 9 July 2014 but the change was registered with the Registry of Trade Marks only later on 16 December 2014. The Applicant thus became the registered proprietor for Trade Mark No. T1314131D.

15 At this juncture, it is useful to make reference to a related invalidation application taken out by the Proprietors. On 17 December 2014, even before the present application was filed, the Proprietors had filed an application to invalidate the Applicant's Trade Mark No. T1314131D. The initial application was filed by the Proprietors against United U-LI Impex Pte Ltd as the original registered proprietors of Trade Mark No. T1314131D. The timeline for the filing of the relevant papers in that application was more prolonged due to the subsequent amendments necessitated by the change in ownership of Trade Mark No. T1314131D and the Applicant had to be substituted as the registered proprietor.

16 Given that the two invalidation applications relating to Trade Mark No. T1314131D and the Subject Mark involved the same parties, who were represented by the same counsel, and there was substantial similarity in the background and factual circumstances in both applications, the Registry of Trade Marks consulted parties on the possible consolidation of the two applications. The Applicant here was not agreeable to consolidation and thus, the two applications continued to proceed on separate tracks. The present proceedings therefore dealt only with the invalidation application relating to the Subject Mark. At the time of the hearing of this application, the Proprietors' invalidation application was still pending hearing.

## **MAIN DECISION**

### **Preliminary Issue: Ownership of the "U-LI" mark**

17 A preliminary issue raised by counsel for the Proprietors was that the Applicant, Mr Tan Buck Hai, was not the original nor rightful owner of the "U-LI" trade mark. This was of course disputed by the Applicant. The Applicant's case is in fact premised on the very claim that he has rightful ownership to the "U-LI" trade mark in Singapore. As this issue will have significant bearing on the grounds of invalidation relied upon by the Applicant, it is useful to first deal with this point at the outset.

18 In a usual trade mark proceeding, be it an invalidation or opposition application, the applicant or party claiming rights over the use of the trade mark would typically assert to be the owner of the mark in question or the licensee, usually an exclusive one, whose rights have been or would be affected by the registration of the mark.

19 The present case is of no exception. In support of his case, the Applicant has put forward various evidence to claim ownership and rights over the "U-LI" mark. The Applicant's contention was that he had used several commercial vehicles since 1993,

namely Choo Chiang Marketing Pte Ltd, Chastan Pte Ltd and U-LI Marketing, to promote the Goods under the “U-LI” mark to the Applicant’s customers in Singapore. Based on the Applicant’s own evidence, he was working for Choo Chiang Marketing Pte Ltd from around 1993 and he was the key person dealing with the Malaysian Manufacturer and handling the promotion and sale of the Goods in Singapore. When the Applicant’s employer, one Mr Lim Teck Chuan, later set up Chastan Pte Ltd in November 1994, the Applicant continued to work for Mr Lim under the latter company. This continued until around October 2003 when U-LI Marketing was incorporated.

20 The Applicant referred to U-LI Marketing as his “licensee” which continued to sell and distribute the Goods in Singapore. The Applicant’s position was that he had, personally or through these commercial vehicles, received and dealt with the Goods bearing the Subject Mark from the Malaysian Manufacturer. To this end, and also to demonstrate that the Malaysian Manufacturer were at all material times aware of this, the Applicant adduced copious bundles of the documents from the Malaysian Manufacturer to U-LI Marketing, including statements of accounts, receipts and payment vouchers, etc. as evidence of his tireless efforts and time spent to promote, sell and distribute the Goods in Singapore. In summary, this was the Applicant’s account of how the unregistered “U-LI” trade mark came to belong to him (see TBH-1, paragraphs 9-12, 22-24).

21 The Proprietors did not dispute the Applicant’s involvement in these commercial vehicles, viz. Choo Chiang Marketing Pte Ltd, Chastan Pte Ltd and U-LI Marketing, but noted instead that the Applicant was only an employee in these companies. The Proprietors questioned how the Applicant’s role as an employee could then give rise to the Applicant acquiring ownership of the trade mark. The Proprietors contended that the Applicant, as an individual, had no formal authority to deal with the Goods in his own name and there was also no evidence to show that the Applicant had in fact dealt with the Goods in his own name. It was not disputed that the “U-LI” trade mark was owned in Malaysia by the Malaysian Manufacturer. It was also not disputed that these commercial vehicles, and even the Proprietors, were non-exclusive authorised distributors of the Goods in Singapore. The Proprietors’ fundamental objection to the Applicant’s argument was that a distributor, much less a non-exclusive one, could not acquire ownership to a trade mark belonging to an overseas manufacturer and who was also the original owner of the trade mark, unless consent of the manufacturer was given.

22 Having gone through the evidence, I found it difficult to follow and agree with the Applicant’s argument on how he acquired ownership over the unregistered “U-LI” mark. As pointed out by the Proprietors, it was not clear how the Applicant could claim those commercial vehicles to be his own. The Applicant was not the owner, director nor shareholder of Choo Chiang Marketing Pte Ltd and Chastan Pte Ltd, but only a mere employee. The same applied for U-LI Marketing, where although the Applicant might have been a director and shareholder when the company was first incorporated, he soon gave up both positions within three months.

23 The Applicant asserted that he, and not Ng, had been in charge of the day-to-day operations of U-LI Marketing and to this end, he tendered hundreds of pages of invoices, letters, leave application forms, agreements, notices to demonstrate the role he played in the company (see TBH-2, paragraph 25). Going through these evidence, there were several observations to be made, Firstly, quite a number of the documents adduced were

not even claimed to be signed by the Applicant and the documents showed that someone else had signed them. So the value of tendering such evidence was not entirely clear. Secondly, it was not apparent who had signed many of the rest of the documents – the Applicant claimed that he had signed them but in these documents, there was often only a signature with no stated name or title referring to who had signed or approved it. The signature was also a simple stroke, not particularly indicative of the Applicant’s name. That said, I note that there was no challenge raised by the Proprietors on this specific point. Thirdly, even if the documents were accepted as having been signed by the Applicant, I would say they went towards showing, at best, the role of the Applicant as a manager or person who oversaw many of the administrative and operational functions relating to U-LI Marketing. The evidence could not and did not show that the Applicant had owned the business or the company. Indeed, it could be seen from the key documents relating to the property rights (e.g., in the signing of tenancy agreements) and financial matters (e.g., CPF submissions, tax returns and banking fund transfers), that these were all approved and signed by persons other than the Applicant. This indicated that the Applicant did not have the authority nor the powers that would give him control and command over U-LI Marketing. Thus, the fact that the Applicant might have been the individual who was responsible for all the daily operations, including the dealings with the Malaysian Manufacturer in relation to the Goods as well as customers to whom the Goods were sold, did not change his status as an employee and did not elevate his rights in all those companies.

24 I note that the Applicant did not specifically deny that he was an employee in these companies but his argument was that these companies were merely a platform for his operations and dealings with the Malaysian Manufacturer. That, in effect, he was the “alter ego” of these companies. However, this was a bare assertion that was not supported by any proof. Even the Applicant’s own evidence showed other persons to be the directors and shareholders of these three companies. Notably, in the Applicant’s reply statutory declaration, TBH-2, he had stated that a director of U-LI Marketing was one Madam Lim Bee Lan, who was also a substantial shareholder of U-LI Corporation Bhd from 2007 to 2008. The majority shareholder of U-LI Marketing was a Malaysian company, Focus Bridge Sdn Bhd, and a director and shareholder Focus Bridge Sdn Bhd was one Mr Law Joon Hoe Vincent, who was in turn a major shareholder of U-LI Corporation Sdn from about 2003 to 2015 (see TBH-2, paragraph 14). Thus, even the Applicant’s own evidence did not support his assertions and by contrast, the links between U-LI Marketing and U-LI Corporation Bhd strongly suggested that the chain of control did not lie with the Applicant but possibly led back to the holding company of the Malaysian Manufacturer.

25 In any case, even if the Applicant had shown that he owned the companies and was the alter ego, which I reiterate was not established, the basic principle of a company having its own separate legal personality meant that the Applicant, as an individual, did not acquire the rights and ownership of property that belonged to the companies. From the evidence put before me, there was no support for any argument that the Applicant had acquired ownership of the unregistered “U-LI” mark.

26 Finally, the Applicant had, in his evidence and submissions, repeatedly referred to U-LI Marketing as his “licensee”. However, it was not clear what rights the Applicant had licensed to U-LI Marketing, and even if it was accepted that the licence related to the use of the “U-LI” trade mark, it was also not explained how the Applicant had become a “licensor” of the unregistered trade mark in the first place. There was also no evidence

tendered at all to show the licensing agreement or arrangement between the Applicant and U-LI Marketing.

27 Therefore, the conclusion was that the Applicant does not have ownership over any unregistered “U-LI” trade mark.

*Manufacturer’s vs Distributor’s mark*

28 I now take this opportunity to also touch on a related issue which was raised in connection with the issue on the ownership of the mark. Counsel for the Proprietors had argued that a local distributor did not necessarily acquire and own a trade mark which would otherwise belong to a foreign manufacturer. In support of this, the Proprietors cited a number of case authorities: the Singapore High Court decisions in *National Dairies Ltd v Xie Chun Trading* [1997] 2 SLR(R) 969; [1997] SGHC 228 and *Nautical Concept Pte Ltd v Jeffery Mark Richard and another* [2007] 1 SLR(R) 1071; [2006] SGHC 239 (“*Nautical Concept*”), as well as the decisions of the UK Trade Marks Registry in *K Sabatier Trade Mark* [1993] RPC 97 and *Travelpro Trade Mark* [1997] RPC 864. Counsel for the Applicant, on the other hand, relied on the authority of the UK High Court case of “*DIEHL*” *Trade Mark* [1970] RPC 435 where a sole distributor was held to be entitled to maintain its registration of an “importer’s mark” as opposed to the overseas manufacturer.

29 For the purposes of this application, given the finding that the Applicant did not own any earlier “U-LI” mark, I did not need to make a determination on this specific issue. Therefore, I do not propose to go into the details of these cases, also because I did not find any of the cases to be directly on point and on all fours in their facts with the present case. Nonetheless, it is clear that there are sufficient case authorities, and as may also be gleaned from these cases, that the general starting position between a manufacturer and its distributors (this term is used generically in the present context and can be taken to include dealers and retailers), is that the ownership of a trade mark over the goods/services concerned would typically remain with the manufacturer and not pass over to the distributor. This did not mean that a distributor could never acquire ownership over a mark. Ultimately, the determination in each case will depend on its specific factual circumstances, requiring an examination of the precise relationship between the manufacturer and the distributor, the agreement between the parties and whether it dealt with the issue of ownership of the trade mark, the conduct of the parties in relation to the use of the mark, among other relevant factors.

30 For the present case, I thought it was useful to address some of the points and evidence which had been presented by the parties in their arguments. The first point to note was that none of the companies which the Applicant had worked with was an exclusive or sole distributor of the Goods in Singapore. This militated strongly against any one of these non-exclusive distributors from acquiring a right over the trade mark in Singapore. There was also no evidence tendered on what was the exact agreement between the Malaysian Manufacturer and its distributors in Singapore (at least in relation to Choo Chiang, Chastan and U-LI Marketing) and whether the agreements had dealt with the issue of the “U-LI” trade mark. Finally, in the evidence adduced by the Applicant on his use of the trade mark, there included various “catalogues”, purportedly used in 2006, 2010 and 2014 (see TBH-1, paragraph 23, exhibits S/N 1, 18 and 25). These catalogues bore the emblem of United U-LI Corporation Bhd and listed United U-LI Sdn Bhd as the

manufacturers of metal cable support systems under the “U-LI” mark. The catalogues did not refer to any Singapore company, not until the 2014 catalogue, which mentioned U-LI Marketing as the wholesaler and distributor of electrical and electrical hardware products, including the “U-LI” products. The attribution to the original Malaysian Manufacturers therefore do not support any suggestion of rights over the “U-LI” mark being passed to the distributors.

31 Having dealt with these preliminary issues, the findings and observations made here will serve as the backdrop to which I will now consider the grounds of invalidation.

**First Ground of Invalidation under Section 8(4)(a)-(b)(i) read with Section 23(3)(a)(iii)**

32 Section 23(3)(a)(iii) of the Act reads:

(3) The registration of a trade mark may be declared invalid on the ground—

(a) that there is an earlier trade mark in relation to which —

...

(iii) where the trade mark has been registered pursuant to an application for registration of the trade mark made on or after 1<sup>st</sup> July 2004, the conditions set out in section 8(4) apply;

...

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

33 Sections 8(4)(a)-(b)(i) of the Act read:

(4) Subject to subsection (5), where an application for registration of a trade mark is made on or after 1<sup>st</sup> July 2004, if the whole or an essential part of the trade mark is identical with or similar to an earlier trade mark, the later trade mark shall not be registered if —

(a) the earlier trade mark is well known in Singapore; and

(b) use of the later trade mark in relation to the goods or services for which the later trade mark is sought to be registered —

(i) would indicate a connection between those goods or services and the proprietor of the earlier trade mark, and is likely to damage the interests of the proprietor of the earlier trade mark;

***Decision on Section 8(4)(a)-(b)(i)***

34 To succeed under this ground, the Applicant would need to establish all of the following four elements:

(a) the whole or an essential part of the Subject Mark is identical with or similar to an earlier trade mark;

(b) the earlier trade mark is well known in Singapore;

- (c) use of the Subject Mark in relation to the goods or services for which the Subject Mark is registered would indicate a connection between those goods or services and the proprietor of the earlier trade mark; and
- (d) such use of the Subject Mark is likely to damage the interests of the proprietor of the earlier trade mark.

*Earlier trade mark*

35 On the first element, there was no real issue in terms of the appearance of the mark as the Subject Mark is essentially identical with or similar to the “U-LI” mark which the Applicant is asserting rights over. The key therefore was whether there was an earlier trade mark.

36 Section 2(1) of the Act defines “earlier trade mark” to mean:

- (a) a registered trade mark or an international trade mark (Singapore), the application for registration of which was made earlier than the trade mark in question, taking account (where appropriate) of the priorities claimed in respect of the trade marks; or
- (b) a trade mark which, at the date of application for registration of the trade mark in question or (where appropriate) of the priority claimed in respect of the application, was a well known trade mark, and includes a trade mark in respect of which an application for registration has been made and which, if registered, would be an earlier trade mark by virtue of paragraph (a) subject to its being so registered;

37 Although the Applicant made reference to having used his own registered trade mark (i.e. Trade Mark No. T1314131D) since or about 1993, it was clear that the Applicant could not rely on it since Trade Mark No. T1314131D was registered only on 19 September 2013 and came later in time compared to the Subject Mark, which was registered on 8 April 2011. The Applicant’s registered trade mark therefore could not be considered an earlier mark.

38 At this juncture, it is useful to address an argument raised by the Proprietors on this issue, which was that the Applicant’s registered trade mark (Trade Mark No. T1314131D), was not a valid trade mark as it was originally registered to a company by the name of “U-LI Impex Pte Ltd”, which did not exist. The correct name of the company should have been “United U-LI Impex Pte Ltd” and the Applicant had subsequently taken steps to correct this typographical error made at the time of the first filing of the registration. This argument was dealt with quickly on the basis that it would be of no relevance to this ground of invalidation since the Applicant could not rely on its registered trade mark. In any event, and although I will make no determination on the validity of the Applicant’s registered trade mark, which issue was not before me, I would just note that in a situation where there had been a typographical error in the name of the proprietor when a trade mark was first registered and this was then subsequently corrected, I could not see how such a clerical error would render a trade mark, if otherwise valid, void *ab initio* in a manner that could not be corrected through an amendment.

39 Since the Applicant cannot rely on an earlier registered trade mark, he would need to show that there is an earlier well known trade mark.

*Well known trade mark*

40 The questions of whether there was an earlier well known trade mark and whether it was well known in Singapore were not issues that I needed to make a determination on. This is because failure to establish any of the elements in sections 8(4)(a)-(b)(i) of the Act would mean that the whole ground would fail. For reasons that I will explain further below, even if I assumed that there was an earlier trade mark that was well known in Singapore, I found that the third and fourth elements (as set out earlier at [34]) could not be successfully established by the Applicant.

41 Nonetheless, I will just briefly touch on the position relating to the second element in this ground of invalidation. The definition of “well known trade mark” is set out in section 2(1) of the Act and the starting point of what amounts to a “well known trade mark” can be found at sections 2(7) to 2(9) of the Act. There have been a number of expositions in our case law on the factors to be considered in determining whether a mark is well known. To this end, I would just highlight that the recent decision by the Court of Appeal in *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] SGCA 30 provides useful guidance on the law in this area and is worth taking note of (although the parties here did not have the benefit of referring to this decision issued on 26 April 2017, after the hearing for this application had taken place).

*Connection with and damage to interests of proprietor of earlier trade mark*

42 Moving on to the third and fourth elements, the Applicant is required to show that “use of the subject mark in relation to the goods or services for which the subject mark is registered would indicate a connection between those goods or services and the proprietor of the earlier trade mark” and that “such use of the subject mark is likely to damage the interests of the proprietor of the earlier trade mark” (*emphasis added*).

43 It might be trite but I think it is useful to state that the objective of establishing the third and fourth elements would be effectively to show that the connection that is made between the goods or services for which the subject mark is registered and the proprietor of the earlier trade mark is an “inaccurate” one. It would be inaccurate as the said goods or services to which the subject mark is applied would not purportedly originate from the proprietor of the earlier trade mark or not with that proprietor’s consent or approval. This inaccurate connection is then, in turn, likely to damage the interests of the proprietor of the earlier trade mark since the reasoning follows that consumers of the goods or services on which the subject mark is used may mistakenly purchase such goods or services thinking that they originate from or are associated with the proprietor of the earlier trade mark, when they are not. By the same reasoning, it follows that no issue would arise if the proprietor of the subject mark and the proprietor of the earlier trade mark are in fact the same or are associated to the extent that the fourth element would not be established in such a situation.

44 Turning to the specific facts presented in this application, the Applicant’s case is premised on him being the proprietor of an earlier “U-LI” trade mark. His contention is that use of the Subject Mark on the Goods by the Proprietors would indicate a

connection between the Goods and U-LI Marketing (the Applicant's purported licensee). The Applicant further contends that such indication has damaged the interests of the Applicant as shown from the evidence tendered showing the decline in U-LI Marketing's revenues since 2009, when the Proprietors were set up.

45 Whilst there is no requirement that the Applicant must establish that he is the proprietor of the earlier trade mark, which in relation to an unregistered trade mark that is a well known trade mark, is defined in section 2(1) of the Act to mean "the person to whom the trade mark belongs", that was the position which the Applicant here had chosen to proceed on. However, as already explained and determined earlier (at [22] to [27]), the Applicant was clearly not the owner of any earlier unregistered "U-LI" trade mark.

46 I found that the evidence put forward did not provide sufficient clarity to make a determinative finding at this point on who was the proprietor of the earlier unregistered "U-LI" trade mark. However, I did find that the evidence before me did not suggest that it belonged to U-LI Marketing. The Proprietor had made assertions that the Malaysian Manufacturer was the proprietor, though I note that not that much evidence was tendered to push this point clearly in this application. As the present application did not require the Proprietors to prove this point, that may have led to limited evidence being put forward over whether the Malaysian Manufacturer or the Proprietors could claim and assert rights over the "U-LI" mark as a well known trade mark in Singapore. I was also hesitant to make any conclusive finding on this issue given that it would probably be more suited for determination in the other related application involving Trade Mark No. T1314131D, which has not been consolidated with the present one.

47 For the present proceedings, it sufficed to say that the evidence which the Applicant had presented for his contention did not support his case at all. As mentioned earlier, the burden lay on the Applicant and there was not enough evidence otherwise to indicate an inaccurate connection between the Goods to which the Subject Mark is applied and the proprietor of an earlier trade mark. Neither was there evidence to show that the interests of the proprietor of the earlier trade mark would likely be damaged. The evidence which the Applicant had adduced related only to U-LI Marketing and I was not persuaded that the Applicant or U-LI Marketing were the proprietors of an earlier "U-LI" mark whose interests would likely be damaged.

48 As the third and fourth elements for this ground could not be clearly established, the Applicant could not succeed on this ground of invalidation.

### **Second Ground of Invalidation under Section 8(7)(a) read with Section 23(3)(b)**

49 Section 23(3)(b) of the Act reads:

(3) The registration of a trade mark may be declared invalid on the ground

...

(b) that there is an earlier right in relation to which the condition set out in section 8(7) is satisfied,

unless the proprietor of that earlier trade mark or other earlier right has consented to the registration.

50 Section 8(7)(a) of the Act reads:

(7) A trade mark shall not be registered if, or to the extent that, its use in Singapore is liable to be prevented –

(a) by virtue of any rule of law (in particular, the law of passing off) protecting an unregistered trade mark or other sign used in the course of trade

...

### *The law relating to Section 8(7)(a)*

51 This ground of invalidation is based on the tort of passing off, the law of which was not disputed by the parties. This area of law has been helpfully summarised and restated by the Court of Appeal in *Singsung Pte Ltd v LG 26 Electronics Pte Ltd (trading as L S Electrical Trading)* [2016] 4 SLR 86; [2016] SGCA 33 ("*Singsung*").

52 At the outset, the Court of Appeal cited the two common formulations on this tort, the first being the one stated in the English case of *Erven Warnink Besloten Vennootschap and another v J Townend & Sons (Hull) Ltd and another* [1979] 1 AC 731 ("*Advocaat*") where Lord Diplock had set out the five characteristics in the tort, at [742]:

(1) a misrepresentation (2) made by a trader in the course of trade, (3) to prospective customers of his or ultimate consumers of goods or services supplied by him, (4) which is calculated to injure the business or goodwill of another trader (in the sense that this is a reasonably foreseeable consequence) and (5) which causes actual damage to a business or goodwill of the trader by whom the action is brought or (in a quia timet action) will probably do so.

53 The second formulation is the “classical trinity” of “goodwill, misrepresentation and damage” for which the Court of Appeal referred to the decision by Lord Oliver of Aylmerton in *Reckitt & Colman Products Ltd v Borden Inc and others* [1990] WLR 491 ("*JIF Lemon*"), see [499]. While the Court of Appeal in *Singsung* accepted that both formulations were generally not different and that the main elements of the tort of passing off are encapsulated in the classical trinity, it also cited and agreed with Professor Wadlow’s view that Lord Diplock’s five characteristics “probes more deeply into the inwardness of the tort” (see Christopher Wadlow, *The Law of Passing-Off: Unfair Competition by Misrepresentation* (Sweet & Maxwell, 4th Ed, 2011).

54 For the purposes of setting out the law to be applied to the present facts, it is useful to refer to the exposition as stated by the Court of Appeal in *Singsung* which covered the three key elements in turn.

### *Goodwill*

55 In *Novelty Pte Ltd v Amanresorts Ltd and another* [2009] 3 SLR(R) 216, the Court of Appeal pointed to, at [39], the exposition on what goodwill is as set out in *The Commissioners of Inland Revenue v Muller & Co’s Margarine Limited* [1901] AC 217, at [223-224]:

What is goodwill? It is a thing very easy to describe, very difficult to define. It is the benefit and advantage of the good name, reputation and connection of a business. It is the attractive force which brings in custom. It is the one thing which distinguishes an old-established business from a new business at its first start. The goodwill of a business must emanate from a particular centre or source. However widely extended or diffused its influence may be, goodwill is worth nothing unless it has a power of attraction sufficient to bring customers home to the source from which it emanates.

56 This was reaffirmed and applied in subsequent cases, including in the case of *Singsung*, where Chief Justice Sundaresh Menon, delivering the judgment of the court, held, at [34]:

In our judgment, goodwill, in the context of passing off, is concerned with goodwill in the business *as a whole*, as not specifically in its constituent elements, such as the mark, logo or get-up that it uses... Goodwill does not exist on its own, but attaches to a business in the jurisdiction and is manifested in the custom that the business enjoys. Goodwill may be proved by evidence of sales or of expenses incurred in promoting the goods and services in association with the mark, brand or get-up which they bear.

#### *Misrepresentation*

57 The Court of Appeal in *Singsung* went on, at [37-38], to clarify that as a matter of principle and conceptual clarity, the issue of whether a mark or get-up is *distinctive* of the plaintiff's products or services is a question that is best dealt with in the context of the inquiry as to whether the defendant had made a misrepresentation. Thus, the court held that the issue of distinctiveness can be seen a threshold inquiry in the context of determining whether the defendant has committed an actionable misrepresentation. In other words, if a mark or get-up is not distinctive of the plaintiff's products or services, the mere fact that the defendant has used something similar or even identical in marketing and selling its products or services would not amount to a misrepresentation that the defendant's products or services are the plaintiff's or are economically linked to the plaintiff. In this regard, the court reiterated the analysis on distinctiveness and the steps to be taken in the inquiry as to misrepresentation, as previously summarised by the Court of Appeal in the earlier case of *The Singapore Professional Golfers' Association v Chen Eng Waye* [2013] 2 SLR 495, at [20]:

...[The second inquiry (*i.e.*, of misrepresentation)] typically begins with a consideration of how the defendant is said to be doing this. In general, it will entail the use of some element that serves as a badge or identifier marking the goods or services in question as emanating from the claimant ... *It will be necessary here to consider whether that element does serve as a badge or identifier, or, in the parlance of the action, whether it is 'distinctive' of the claimant's goods and services, and whether the claimant's goodwill (established under the first stage of the inquiry) is in fact associated with that element.* It will then be necessary to consider, amongst other factors, whether there is such a similarity between the corresponding element that is being used by the defendant on the one hand

and by the claimant on the other such that in all the circumstances, it is sufficiently likely to result in the relevant segment of the public being deceived or confused into thinking that the defendant's goods or services are, or emanate from a source that is linked to the claimant's... (*emphasis added*)

58 If the plaintiff's goodwill is shown to be sufficiently associated with, i.e. distinctive of, its goods or services, then there are two further requirements to be met in establishing misrepresentation: first, that there was a misrepresentation made by the defendant in using products which are strikingly similar or identical (this may amount to a misrepresentation as to trade source or the trade origin of the goods); and second, that actual confusion or likelihood of confusion arose as a result of the misrepresentation: see *Singsung* at [70].

#### *Damage*

59 On the element of damage, it is not necessary for the claimant to prove actual damage so long as it is shown that there is a real tangible risk of substantial damage, which could be incurred by way of blurring or tarnishment: see *Singsung* at [41].

#### *Decision on Section 8(7)(a)*

60 Applying the law to the present facts, on the first element of goodwill, it would be necessary to look at the goodwill, if any, in the Applicant's business as a whole. Does the Applicant's business possess an "attractive force which brings in custom"? As noted in *Singsung*, goodwill may be proved through evidence of sales, profits, or expenses incurred in promoting the goods and services in association with the mark.

61 As might already be apparent from the earlier findings for the first ground of invalidation, the Applicant's case for the second ground also suffers from the fundamental difficulty of showing that the Goods and businesses, to which the "U-LI" mark was used, belonged to him. When the Goods were being dealt with through Choo Chiang Marketing Pte Ltd and Chastan Pte Ltd, any goodwill, if established, would belong to the companies themselves. Therefore, the Applicant, who was only a mere employee in those companies, could not himself claim to enjoy the goodwill.

62 In any case, the evidence tendered by the Applicant were confined to those emanating from U-LI Marketing, as there appeared to be none from Choo Chiang Marketing Pte Ltd and Chastan Pte Ltd. In this regard, the Applicant had tendered substantial documentary evidence to demonstrate the goodwill he claimed he had acquired over the years through his use of the "U-LI" mark (see TBH-1, paragraphs 23-28). In my view, there was considerable doubt over how adducing hundreds of pages of U-LI Marketing's corporate diary, which did not bear any "U-LI" mark anyway, or photographs and invoices of stickers, uniforms, greeting cards, calendars, miscellaneous paraphernalia where the "U-LI" mark was imprinted went towards showing any goodwill vis-à-vis the mark as used on the Goods and business. On the other hand, the evidence from invoices, work and delivery orders in relation to the Goods sold to customers, the financial statements, public advertisements, ISO certifications obtained in relation to the Goods, while perhaps relevant for establishing goodwill, would at best demonstrate the goodwill that was attached to U-LI Marketing,

not the Applicant as a person. Although many of the documents may have showed the Applicant signing off on them, this did not equate to him being the owner of the business and in any event, was not sufficient to surmount the principle of separate corporate personality. The entity that was trading with the customers was U-LI Marketing, not the Applicant. As already mentioned earlier, there was no evidence to support the Applicant's argument that U-LI Marketing was his licensee.

63 Even if I put aside the problem on the separate corporate personality and I assumed that the Applicant had dealt with the Goods in his own name and had acquired the requisite goodwill, the Applicant still faced another hurdle under this ground in showing whether there was any misrepresentation made by the Proprietors. Was the "U-LI" mark distinctive of the Applicant's goods? Did customers come to the Applicant's business because of the goodwill in relation to the Goods and the mark? The Applicant tried to argue that although the source of the Goods was from the Malaysian Manufacturer, they were not standardised and off-the-shelf products. Distributors would submit, based on their own customers' requirements, the specifications needed for the Manufacturer's production. The Applicant argued that a distinction should therefore be drawn between the trade source, which was different, and the trade origin, which was the same. However, no authority was cited by the Applicant to support such a distinction being drawn, which in any case, was also not supported by evidence.

64 On this issue, I found the obiter dicta by the Singapore Court of Appeal in the case of *Kickapoo (Malaysia) Sdn Bhd and another v The Monarch Beverage Co (Europe) Ltd* [2010] 1 SLR 121; [2009] SGCA 63 ("*Kickapoo*"), which the Proprietors had relied on, to be of useful guidance. The *Kickapoo* case was determined on different issues but an argument had been raised by one party, in relation to a claim on passing off, about misrepresentation as to trade source. In that case, the former exclusive licensee sued by the registered proprietors for passing off, had sought to rely on the English House of Lords decision in *Scandecor Developments AB v Scandecor Marketing AB* [2002] FSR 7 ("*Scandecor*") and the exposition by Lord Nicholls, who delivered the leading judgment there. In brief, Lord Nicholls had propounded the concept of an evolving notion of trade source and that under the UK Trade Marks Act 1994, the trade source could reside in a proprietor or exclusive licensee. This meant that there could be room for an exclusive licensee to claim rights over the use of a mark and defend against a passing off claim. In *Kickapoo*, the Court of Appeal expressed reservations over the broad application of the *Scandecor* decision, which was confined to bare exclusive licences. As such, there was uncertainty whether *Scandecor* should apply at all to non-exclusive licences. In particular, the Court of Appeal in *Kickapoo*, noted, at [49] and [52]:

[49] ... For example, in the case of a *non-exclusive* licence, because of the presence of multiple licensees, it would be very difficult for the view of Lord Nicholls to apply and for the public to associate the goods sold under the trade mark with only one single licensee. It has therefore been observed that the traditional view (of viewing trade source as residing in the trade mark proprietor) would work better for this particular type of licence.

...

[52] However, even if the modern approach advocated by Lord Nicholls in *Scandecor* is adopted, it must be borne in mind that the inquiry concerned is, at its heart, heavily dependent upon the particular factual matrix concerned, the onus lying on the defendant to demonstrate that the public no longer associates the source of the goods concerned with the trade mark proprietor. We do not think, however, that such an onus would, in the nature of things, be easily discharged. Convincing facts must be adduced to demonstrate that a shift of association (from the trade mark proprietor to the licensee) has occurred. Factors such as the duration of the licence, as well as efforts spent in advertising and marketing, will invariably have a significant role to play in moulding public perception....

65 The *Kickapoo* case is useful in understanding how the association by customers with the trade source of a product may sometimes be shifted from the original trade mark proprietor. Returning to the present facts, the “U-LI” mark and the Goods originate from the Malaysian Manufacturer. Both U-LI Marketing and the Proprietors are authorised distributors of the Goods in Singapore and in fact, there are also other companies in Singapore which distribute the “U-LI” cable trunking and tray products. These distributors obtain the Goods bearing the “U-LI” mark from the same source in Malaysia. Did the Applicant adduce sufficient evidence to show that there has been a shift of association from the Malaysian Manufacturer to the Applicant? As noted in the *Kickapoo* case, the hurdle faced is much higher when it involves non-exclusive licensees.

66 Despite the volume of evidence put forward, I could not find clear proof that the Goods had been specifically customised by the Applicant (or rather U-LI Marketing) such that customers would distinguish these Goods sourced by one particular distributor from other distributors or the manufacturers themselves. The Applicant’s own evidence on numerous invoices from U-LI Marketing, both with its customers and the Malaysian Manufacturer, did not indicate any specific customisation arising from U-LI Marketing, nor the Applicant (see TBH-2, paragraph 4). If anything, the catalogues tendered by the Applicant and the invoices issued by the Malaysian Manufacturer to U-LI Marketing all strongly pointed towards the customised products being offered in the first place by the Malaysian Manufacturer, and not as a result of the distributors (see TBH-1, paragraph 23, exhibits S/N 1, 18 and 25).

67 In conclusion, I was not satisfied from the evidence that the Applicant (or U-LI Marketing, for that matter) had shown that the distribution and sale of the Goods had added such a degree of distinctiveness that use of the mark “U-LI” by the Proprietor, or any other Singapore distributor, would amount to a misrepresentation that their products or services are the Applicant’s or are economically linked to the Applicant.

68 Having reached the findings on the elements of goodwill and misrepresentation, I did not find it necessary to go further and touch on the last element relating to damage.

*Conclusion on Section 8(7)(a)*

69 For the reasons as explained above, the ground of invalidation under Section 8(7)(a) also fails.

### Third Ground of Invalidation under Section 7(6) read with Section 23(1)

70 Section 23(1) of the Act reads:

(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.

71 Section 7(6) of the Act reads:

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

#### *Decision on Section 7(6)*

72 As often highlighted in many cases involving this ground, an accusation of bad faith is a grave one which must be properly substantiated. In *Nautical Concept*, the Singapore High Court had noted, at [15]:

An allegation that a trade mark has been applied for in bad faith is a serious one. In *Royal Enfield Trade Marks* [2002] RPC 508, it was held (at [31]) that:

A plea of fraud should not be lightly made ... and if made should be distinctly alleged and distinctly proved. It is not permissible to leave fraud to be inferred from the facts (see *Davy v Garrett* (1878) 7 Ch.D. 473 at 489). In my judgment precisely the same considerations apply to an allegation of ... bad faith made under section 3(6) [of the UK Trade Marks Act 1994.] *It should not be made unless it can be fully and properly pleaded and should not be upheld unless it is distinctly proved and this will rarely be possible by a process of inference.* [emphasis added]

73 The bar that must be surmounted is therefore a high one. The test on what constitutes “bad faith” for the purposes of section 7(6) is fairly well-settled. It was usefully summarised in the case of *Wing Joo Loong Ginseng Hong (Singapore) Co Pte Ltd v Qinghai Xinyuan Foreign Trade Co Ltd and another* [2009] 2 SLR(R) 814; [2009] SGCA 9, where the Singapore Court of Appeal, at [104], referred to the exposition in the earlier High Court decision in *Weir Warman Ltd v Research & Development Pty Ltd* [2007] 2 SLR(R) 1073; [2007] SGHC 59:

It would be fair to say that the term ‘bad faith’ embraces not only actual dishonesty but also dealings which would be considered as commercially unacceptable by reasonable and experienced persons in a particular trade, even though such dealings may otherwise involve ‘no breach of any duty, obligation, prohibition or requirement that is legally binding’ upon the registrant of the trade mark: see *Demon Ale Trade Mark* [2000] RPC 345 at 356; and [Tan Tee Jim’s *Law of Trade Marks and Passing Off in Singapore* (*Sweet & Maxwell Asia*, 2<sup>nd</sup> Ed, 2005)].

74 The Court of Appeal went on, at [105], to define the “combined test of bad faith” as having both a subjective element (*viz.*, what the particular applicant knows) and an objective element (*viz.*, what ordinary persons adopting proper standards would think).

This was further explained by reference to the case of *Ajit Weekly Trade Mark* [2006] RPC 25, where it was stated at [35] and [41]:

35 ... Bad faith is to be judged according to the combined test of dishonesty for accessory liability [for] breach of trust set out by the majority of the House of lords in *Twinsectra Ltd v Yardley* [2002] 2 A.C. 164, with *Gromax Plastics Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367... providing the appropriate standard namely, acceptable commercial behaviour observed by reasonable and experienced persons in the particular commercial area being examined.

...

41 ... [T]he upshot of the Privy [Council's] decision in *Barlow Clowes International Ltd v Eurotrust International Ltd* [2006] 1 WLR 1476 is: (a) to confirm the House of Lords' test for dishonesty applied in *Twinsectra*, i.e. the combined test; and (b) to resolve any ambiguity in the majority of their Lordships' statement of that test by making it clear that an enquiry into a defendant's views as regards normal standards of honesty is not part of the test. The subjective element of the test means the tribunal must ascertain what the defendant knew about the transaction or other matters in question. It must then be decided whether in the light of that knowledge, the defendant's conduct is dishonest judged by ordinary standards of honest people, the defendant's own standards of honesty being irrelevant to the objective element ...

75 The Applicant's case on this ground is essentially premised on the role of Clement Ng Chay Hoe ("Ng") in U-LI Marketing and his subsequent incorporation of the Proprietors and resignation from U-LI Marketing. There was some dispute over the precise role of Ng, who is now the director and shareholder of the Proprietor, when he was still with U-LI Marketing. The Applicant's contention was that Ng had been invited by the Applicant to come on board U-LI Marketing and that Ng had been an employee of U-LI Marketing for at least two months. The Applicant's position was that as a director and employee of U-LI Marketing, Ng had full knowledge of the Applicant's trade mark being used in the course of the business of his "licensee", U-LI Marketing. According to the Applicant, when Ng was confronted by the Applicant over the incorporation of the Proprietors, Ng had explained that he needed a corporate vehicle to complete projects that Ng had been overseeing. The Applicant said he was prepared to trust Ng then, but he did not expect Ng to later instruct the Proprietors to register the Subject Mark. Such a registration, the Applicant argued, was clearly a commercially unacceptable move made in bad faith as Ng would have known that the "U-LI" mark had become recognised in the industry due to the Applicant's work and efforts over the years (see TBH-1, paragraphs 17-19, 25, 30-31; TBH-2, paragraph 30).

76 The Applicant's version of the facts was refuted by Ng, who claimed instead that he had been a director and shareholder of U-LI Marketing since its time of incorporation and he did not join only upon the Applicant's invitation. Ng claimed that he had resigned from U-LI Marketing and incorporated the Proprietors upon the request of the Malaysian Manufacturer, which had made the executive decision to more clearly demarcate the types of services offered under the U-LI brand. The idea was for U-LI

Marketing to concentrate on the dealer market while the Proprietors would focus on providing services to developer's projects. Representatives from U-LI Marketing had consented to the division in the respective companies' scope of activities (see NCH-1, paragraphs 23, 26, 30-31).

77 I did not find it material whether or not Ng had been invited by the Applicant to join U-LI Marketing. In any case, there was a lack of evidence on both sides over the precise circumstances leading to the incorporation of U-LI Marketing. Apart from their bare assertions, there was also no evidence by either side to support their respective version of the facts surrounding Ng's departure from U-LI Marketing and the setting up of the Proprietors.

78 However, the Proprietors were able to adduce evidence from the Malaysian Manufacturer showing the relationship and authorisation given by the Malaysian Manufacturer to the Proprietors. First, there was a general letter issued by the Malaysian Manufacturer dated 18 November 2011, stating that the Proprietors were an official distributor in Singapore, Brunei and Vietnam of the "U-LI" brand and products and that Ng was the Malaysian Manufacturer's Sales Representative for these markets. There was also a subsequent letter to customers dated 11 July 2014, naming the Proprietors as the Malaysian Manufacturer's "authorised main distributor" in Singapore, Brunei and Vietnam. This was followed by another general letter dated 25 September 2014 stating, *inter alia*, that the Malaysian Manufacturer's trade marks rights in Singapore had been preserved and protected under the Subject Mark as registered in the name of the Proprietors on 8 April 2011. This position was reiterated in a letter dated 28 April 2015 written to the Intellectual Property Office of Singapore. Each of these letters issued by the Malaysian Manufacturer was signed off by Dato' James Lee Yoon Wah, the CEO and Group Managing Director (see NCH-1, paragraphs 10-13). In addition, the Malaysian Manufacturer and the Proprietors also jointly published in the Straits Times on 4 May 2015, a notice stating that the Malaysian Manufacturer was the original owner of the "U-LI" brand and that the Subject Mark had been registered under the Proprietors' name, which was stated as the authorised distributor of the Malaysian Manufacturer's "U-LI" brand of cable trunking products in Singapore (see NCH-1, paragraph 21).

79 The Applicant did not dispute the authenticity of these letters but took the position that these were not material as the Malaysian Manufacturer and the holding company U-LI Corporation Bhd were not party to the present application and the Applicant was not seeking to challenge the Malaysian Manufacturer's rights in Malaysia. The Applicant also highlighted that the Malaysian Manufacturer had never taken any steps before to preserve its trade mark rights in Singapore and neither had they told the Applicant that he could not register the "U-LI" trade mark in Singapore. The Applicant contended that the Proprietors, having no relationship with the Malaysian Manufacturer, could not claim ownership of the trade mark in Singapore. By contrast, it was the Applicant's efforts which had made the "U-LI" mark well known in Singapore when the mark had been relatively unknown before. Furthermore, the Applicant asserted that the letters issued by the Malaysian Manufacturer have never been made known to the Applicant prior to these proceedings and the Malaysian Manufacturer had never confronted the Applicant directly over his registration of the "U-LI" mark under Trade Mark No. T1314131D (see TBH-2, paragraphs 15-22, 33). The Applicant also felt it was noteworthy to highlight that the Malaysian Manufacturer

had not made any statutory declaration in support of the Proprietor's claims or to deny the Applicant's claims of how the Goods had been promoted and sold in the Singapore market through the Applicant's sole efforts.

80 At this juncture, it bears repeating that in a trade mark invalidation claim such as the present, the burden of proof lies on the Applicant to prove that the grounds of invalidation are made out. It is not for the Proprietors to disprove the grounds. The question of whether the Applicant's Trade Mark No. T1314131D should be invalidated is also not an issue in this present proceedings. In this regard, I could not give much weight to the Applicant's arguments over the Malaysian Manufacturer not taking any direct action in these proceedings, especially where the specific issues touched on were more relevant to the proceedings involving the Applicant's Trade Mark No. T1314131D.

81 Turning back to the application of the combined test of bad faith for this ground of invalidation, it was hard to see how the Applicant had made out his case both on the subjective element and objective element. The Applicant's assertions over Ng's departure from U-LI Marketing and the setting up of the Proprietors were not borne out on the facts. Earlier, it had already been established that the Applicant has no valid claim of ownership over the unregistered "U-LI" mark. In the circumstances, it was very difficult for the Applicant to show how Ng should have known or thought that the "U-LI" mark was associated with the Applicant or was owned by him – which was not the case anyway. The weight of the evidence also did not lean in favour of a finding of any dishonesty by Ng, which could then be attributed to the Proprietors. The various assertions made by the Applicant on this ground had quite plainly missed the point and failed to go towards proving the allegation of bad faith. There was thus no need to further consider the objective element of whether Ng's conduct was acceptable commercial behaviour when observed by reasonable and experienced persons in the particular industry, but even if applied, I did not think the finding would lean in favour of the Applicant.

#### *Conclusion on Section 7(6)*

82 In light of the authorisation from the Malaysian Manufacturer, the Proprietors' registration of the Subject Mark could not be said to have been made in bad faith. The ground of invalidation under Section 7(6) therefore fails.

#### **Overall Conclusion**

83 Having considered all the pleadings and evidence filed and the submissions made in writing and orally, I find that the application for a declaration of invalidity fails on all grounds. The Proprietors are also entitled to costs to be taxed, if not agreed.

Date of Issue: 12 September 2017