

Weir Warman Ltd v Research & Development Pty Ltd
[2007] SGHC 59

Case Number : OS 513/2006
Decision Date : 30 April 2007
Tribunal/Court : High Court
Coram : V K Rajah JA
Counsel Name(s) : M Ravindran and Adrian Kwong (Ravindran Associates) for the plaintiff; Dedar Singh Gill and Lim Siau Wen (Drew & Napier LLC) for the defendant
Parties : Weir Warman Ltd — Research & Development Pty Ltd

Trade Marks and Trade Names – Invalidity – Bad faith – Two related companies involved in dispute over registration and validity of trade mark – One company registering trade mark in Singapore – Whether proprietorship of mark had been conferred on such company via contractual term in agreements between it and other company – Whether company registering mark operating as trade mark licensee of other company – Whether absence of manufacturing rights in place of registration of trade mark fatal to claim of proprietorship of trade mark

Trade Marks and Trade Names – Invalidity – Bad faith – Two related companies involved in dispute over registration and validity of trade mark – One company registering trade mark in Singapore – Whether proprietorship of mark had been conferred on such company via contractual term in agreements between it and other company – Whether contractual right to register mark in Singapore sufficient to negate allegation of bad faith on part of company registering such mark – Whether company registering mark having duty to disclose contractual relationship with other company to Registrar of Trade Marks at time of registration mark

Trade Marks and Trade Names – Revocation – Company registering trade mark in Class 7 for range of goods including milling equipment and valves – Company using mark on pumps and pump parts only – Whether registration of mark in Class 7 should be partially revoked to limit specification to pumps and pump parts – Section 22(6) of Trade Marks Act (Cap 332, 2005 Rev Ed)

Trade Marks and Trade Names – Revocation – Genuine use – Company registering trade mark and using mark on pump parts – Whether three sales transaction in relation to pump parts bearing such mark sufficient to constitute "genuine use" – Whether "genuine use" may be established where no evidence of actual sales existing – Section 22(1) of Trade Marks Act (Cap 332, 2005 Rev Ed)

30 April 2007

Judgment reserved.

V K Rajah_ JA:

- 1 The plaintiff and the defendant are Australian firms trading in products that have the same name and a common heritage.
- 2 The defendant is the registered proprietor of the following three trade marks for the word 'WARMAN' in Singapore ("the Trade Marks"):
 - (a) T96/0566I for pumps; milling equipment; valves; parts and fittings for the aforesaid goods in Class 7;
 - (b) T97/13163J for maintenance of materials handling apparatus and pumps in Class 37; and
 - (c) T96/05662G for distribution services; (other than delivery or transportation services); locating

and purchasing of goods for others; all being services in relation to materials handling apparatus and pumps in Class 42.

3 The plaintiff seeks, by way of originating summons, to invalidate and/or revoke the Trade Marks registered by the defendant.

Background

4 Charles Harold Warman ("CHW") is the founder, beneficial owner and director of the defendant. Prior to 1969, CHW and companies in which he had a direct or indirect interest (including the defendant) were in the business of manufacturing and selling pumps and other related products. In connection with this business, a number of intellectual property rights, including trade marks and patents, were created and protected by CHW, the defendant and/or their affiliates.

5 Pursuant to several agreements entered into over time, CHW's and the defendant's intellectual property rights were transferred to various parties, including the plaintiff's predecessor-in-title, Peko-Wallsend Ltd ("Peko"); it was also agreed that both CHW and Peko were to be bound by certain trade restraints. Certain provisions in these agreements constitute the kernel of the present dispute.

The 1969 Agreement

6 The first agreement is dated 16 April 1969 ("the 1969 Agreement") between CHW, Warman Investments Pty Ltd and related parties on the one hand and Peko on the other.

7 Prior to the 1969 Agreement, all shares in the defendant were owned by a holding entity, Warman Holdings Pty Limited. Shortly before the parties entered into the 1969 Agreement, Peko acquired all the issued shares in the defendant. This was expressly recorded in Recital (d) of the 1969 Agreement. Pursuant to the 1969 Agreement, Peko then acquired all the issued shares in Warman Holdings Pty Limited from the related parties for a consideration of AUD 6,425,000.

8 Following Peko's acquisition of all the shares in Warman Holdings Pty Limited, Peko was obliged to give effect to cl 6 of the 1969 Agreement, which provided:

Upon the registration of the transfers of shares in the Company [Warman Holdings Pty. Limited] pursuant to Clause 4 hereof *the Purchaser [Peko] shall with all due diligence and expedition proceed and procure Research & Development Pty. Limited [the defendant] to assign all its assets other than the amounts standing or to be placed to the credit of its capital profits reserve account and its profit and loss appropriation account to the Purchaser or some other company or person as nominated by the Purchaser including therein all patents and trade marks the property of Research & Development Pty. Limited at such time to the intent that Research & Development Pty. Limited shall be left without assets or liabilities other than its interest in 50 percent of the Royalties to flow from its licence agreement with Simonacco Ltd. and shall then forthwith cause to be executed transfers of all the issued capital in Research & Development Pty. Limited to Charles Harold Warman or his nominee in consideration of the payment of One hundred dollars (\$100). The Purchaser in so distributing and disposing of the assets of Research & Development Pty. Limited will avoid any liability being attached to Research & Development Pty. Limited for taxation gift or stamp duties.*

[emphasis added]

Upon Peko's compliance with cl 6 in or about July 1969, the defendant was left without any of its

assets (other than its interest in 50% of the royalties from a licence agreement).

9 Pursuant to cl 5(m) of the 1969 Agreement, the Fifth Schedule of the 1969 Agreement expressly and exhaustively sets out particulars of *all* the trade marks which would pass into Peko's control on completion of the Agreement:

- (a) 'WARMAN' in Australia, bearing the trade mark application numbers 130,107 and 130,108;
- (b) 'SIMONACCO-WARMAN' in the United Kingdom;
- (c) 'WARMAN' in Hungary, bearing the trade mark application number 111,907; and
- (d) 'WARMAN' in France, bearing the trade mark application number 64,344.

It is clear that the 1969 Agreement does not pertain to any existing or future trade marks registered in Singapore.

10 Various trade restraints were also included in the 1969 Agreement. Clause 10(a) prohibited Peko (and its related companies) from manufacturing in or exporting to Japan or Africa (including Madagascar) any article the subject of any current patent in CHW's name, or any improvement thereof. These territories were defined in that clause as the "exclusive Warman Territories". It should be pointed out, however, that these exclusivity provisions under the 1969 Agreement were subsequently superseded by the 1971 Agreement (see *infra* from [12] to [16]).

11 To summarise, the position following the 1969 Agreement was essentially that Peko owned all the shares in Warman Holdings Pty Limited, as well as the assets owned by the defendant prior to the agreement, including the specific trade marks listed in the Fifth Schedule of the 1969 Agreement (see [9] *supra*). At the same time, the ownership of the defendant was placed in the hands of CHW and/or his nominee(s). Japan and Africa (including Madagascar) were also deemed "exclusive Warman Territories" in which Peko was prohibited from either manufacturing or exporting.

The 1971 Agreement

12 A further agreement dated 6 December 1971 ("the 1971 Agreement") was entered into between CHW, the defendant and Peko. This is really the key agreement in the present proceedings.

13 By recital (E) of the 1971 Agreement, Peko sought to have CHW:

... assign forego and forever relinquish to it *part of his rights existing at the date hereof* to make and sell Products and Licensed Items anywhere in the world.

[emphasis added]

14 "Products" and "Licensed Items" are defined in cl 10 of the 1971 Agreement. "Products" is stated to mean "any article or machine ... the production of which ... necessitates the utilisation of "know-how and associated matter"... ." "Know-how and associated matter" is in turn defined in some detail as, in effect, the know-how of the Warman business acquired by Peko under the 1969 Agreement, and any "continuation, extension, modification or variation" of the same. "Licensed Items" is then defined to include the items listed in the Second Schedule of the 1971 Agreement, which identifies each "Licensed Item" with reference to the trade mark 'WARMAN', for instance, 'WARMAN' pumps, 'WARMAN' hydraulic cyclones and 'WARMAN' spares and/or parts applicable to various other listed items.

15 The broad intention of the parties manifested in recital (E) found further expression in cl 2 of the 1971 Agreement. This is a crucial clause. It provides:

That in consideration of the sum of Fifty Thousand Dollars (\$50,000-00) to be paid to Warman [CHW] by Peko Warman does hereby grant assign and relinquish absolutely to Peko his right to make and sell Products and Licensed Items anywhere in the world save that Peko acknowledges that Warman retains

(a) the absolute and exclusive right (to the absolute exclusion of Peko) to make and sell in Japan and Africa for use in Japan and Africa Products and Licensed Items.

(b) the exclusive right to export from Japan and Africa Products and Licensed Items *for use and sale within the Non-exclusive Territories* hereinafter defined and coloured green on the map annexed hereto as Appendix "B".

[emphasis added]

16 "Non-Exclusive Territories" is defined in cl 10 of the 1971 Agreement, which sets out, *inter alia*, a non-exhaustive list of these territories and specifically includes Singapore as one such territory.

17 Hence, by virtue of the 1969 and 1971 Agreements (collectively "the Agreements"), the parties (through their predecessors) agreed that they were both free to *sell* relevant products under the 'WARMAN' trade mark in the Non-Exclusive Territories, including Singapore, subject to mutual restraints as to the place of manufacture of the goods.

The 1981 Agreement

18 For completeness, it should be mentioned that by a final agreement in 1981 between the parties and/or their predecessors ("the 1981 Agreement"), the plaintiff acquired all of CHW's right, title and interest in Japan, including the registered trade mark 'WARMAN' in Japan. Nothing, however, in the present proceedings turns on this.

The facts

19 The plaintiff (whether itself or through its predecessor or related companies and its/their agents and distributors) has allegedly been selling 'WARMAN' marked equipment in Singapore since the early 1960s. The first recorded sale into Singapore by the plaintiff itself was in August 1984, when the plaintiff sold a 'WARMAN' pump for AUD 94,763. The plaintiff's sales turnover from 1984 to December 2005 was AUD 878,972, and of this sum, AUD 601,384 was the turnover from 1984 to 1996 (when the defendant first registered the 'WARMAN' trade mark in Singapore). The plaintiff had also appointed a Malaysian licensee and distributor, Warman Wil, in 1987 who has the right to sell into Singapore. From 1987 to 2005, the latter had sold RM 3,541,485 worth of 'WARMAN' trade marked pumps and spare parts in Singapore. The figure from 1987 to 1996 was RM 1,846,776.

20 The plaintiff has, to date, registered the trade mark 'WARMAN' in respect of pumps and other products in a number of countries. The Non-Exclusive Territories in which the plaintiff made such registrations are: China, Georgia, India, Indonesia, Iran, Iraq, Kyrgyz Republic, Malaysia, Republic of Kazakhstan, Russian Federation, Sabah, Saudi Arabia, South Korea, Syria, Tadzhikistan, Taiwan, Thailand, Uzbekistan and Vietnam.

21 On the other hand, the defendant has also effected registrations of the trade mark 'WARMAN' in some Non-Exclusive Territories. Apart from Singapore, the other Non-Exclusive Territories in which the defendant registered the mark are Israel (in 1998), Jordan (in 1999) and the United Arab Emirates (in 1999). The plaintiff has filed applications, similar to the present proceedings, that seek to invalidate the defendant's registrations in Jordan and Israel.

22 The defendant's registrations of the trade mark 'WARMAN' in Singapore were made in 1996 and 1997. In 1996, the mark was registered for the purposes of Classes 7 and 42 and the requisite registration certificates were issued on 18 October 1999 and 2 November 2000 respectively. In 1997, the registration was in respect of Class 37 goods and services and the relevant registration certificate was issued on 6 August 1999 (see [2] *supra* for the specific description of the registrations).

23 It is common ground that the defendant had not used the 'WARMAN' trade mark in Singapore prior to registration; the defendant and/or its subsidiaries had actually commenced using the mark in Singapore only in 2001.

Use of the 'WARMAN' trade mark by the defendant in Singapore

24 The only evidence adduced of the defendant's use of the 'WARMAN' trade mark in Singapore is in relation to the Class 7 goods, specifically, pump parts and pumps.

Use of the mark on pump parts

25 The only three sales by the defendant involving goods marked with the 'WARMAN' mark *simpliciter* were those of pump parts. One of the sales transactions was made with a Singapore company, Technochem Pte Ltd in January 2003; the remaining two transactions were with another Singapore company, Arena International Pte Ltd in June and November 2003 respectively.

26 In addition to the sales, the defendant has also tendered three e-mail enquiries from Singapore companies to the defendant evidencing its use of the 'WARMAN' mark on pump parts in Singapore. The e-mails were sent to enquire about, *inter alia*, pump parts, and to request for quotations and catalogues. All three enquiries were made pursuant to information made available on the defendant's Internet website.

27 Last, there is a fax sent on 10 December 2001 by the defendant to Rio Tinto Asia Pty Limited, a company in Singapore ("the Rio fax"). In that fax, the defendant introduced itself as an independent manufacturer of original Warman Pumps and spare parts, and offered its "unparalleled service at the most competitive prices". This fax is similarly adduced by the defendant as evidence of their use of the 'WARMAN' trade mark in Singapore.

Use of the mark on pumps

28 The Rio fax constitutes some evidence of use by the defendant of the 'WARMAN' mark on pumps as well as pump parts. Further, there is a letter sent by the defendant to Leighton Contractors (Singapore) Pte Ltd on 22 April 2003, describing and offering various 'WARMAN' pumps in purported response to the latter's enquiry about slurry pumps.

29 The defendant had also received three e-mail enquiries about 'WARMAN' pumps from Singapore companies, namely, McAlister & Co Ltd, Quest Global Pte Ltd and Ning Kwong Optical Co Pte Ltd on 21 March, 9 May and 9 August 2003 respectively. These e-mail enquiries, like those for pump parts, apparently flowed from information provided in the defendant's website.

30 A meeting was also held in Singapore on 12 November 2001 between the defendant and one Andrew Tan from a Singapore-based business, Hytrade, in relation to the potential supply of 'WARMAN' pumps by the defendant for a sand-dredging project. A report of the meeting prepared by the defendant, suggests that Hytrade attended the meeting in its capacity as an agent facilitating the supply of pumps for various projects. Andrew Tan had also proposed a 'loose agreement' to the defendant whereby he would promote 'WARMAN' pumps to various mining houses and consultants in Singapore.

The present applications

31 Originating Summons No 513 of 2006 was filed by the plaintiff on 8 March 2006 seeking both the invalidation and the revocation of the Trade Marks.

32 In its application to invalidate, the plaintiff essentially asserts that it is the sole legitimate proprietor of the 'WARMAN' mark in Singapore. The Trade Marks, it contends, were registered by the defendant in breach of s 23(1) read with s 7(6) of the Trade Marks Act (Cap 332, 2005 Rev Ed) ("TMA") in that the applications were made in bad faith; and/or the Trade Marks had breached s 23(4) of the TMA because the registration was procured by fraud or misrepresentation.

33 The application to revoke, on the other hand, was made pursuant to s 22(1)(a) of the TMA; the plaintiff alleges that the Trade Marks have not been put to genuine use in the course of trade in Singapore in the course of the five-year periods commencing from the respective dates of their registrations and/or for uninterrupted five-year periods to date; further, there are no proper reasons for non-use.

The parties' contentions

34 In making the submission that it is the sole proprietor of the 'WARMAN' trade mark in Singapore, the plaintiff relies essentially on three intertwined contentions: first, that the Agreements confer on the plaintiff sole proprietorship of the trade mark in Singapore; second, that this follows *inter alia* by reason of the fact the defendant cannot manufacture in Singapore but the plaintiff can; and third, that the plaintiff had used the 'WARMAN' mark in Singapore even prior to the defendant's trade mark registrations. As such, the plaintiff submits that the defendant knew or ought to have known that its act of applying for the trade mark registrations in Singapore fell short of acceptable behaviour given its knowledge (constructive or otherwise) that the plaintiff was the true proprietor of the 'WARMAN' mark. Hence, the plaintiff urges this Court to invalidate the Trade Marks on the ground of bad faith. Further or in the alternative, the plaintiff argues that the defendant had obtained its trade mark registrations by fraud or misrepresentation and consequently, these registrations should be invalidated. This latter argument was premised similarly on the basis that proprietorship of the 'WARMAN' mark in Singapore lies with the plaintiff. As for its application to revoke the Trade Marks, the plaintiff's case is simply that the defendant has not proved that there has been genuine use of the Trade Marks in Singapore during the relevant period.

35 The defendant takes the view that neither party can claim to be the proprietor of the trade mark to the exclusion of the other in the Non-Exclusive Territories. It submits that by necessary implication from the express terms of the Agreements permitting sale in the Non-Exclusive Territories of the subject products and use of the mark, both of them are proprietors of the trade mark in those territories. Further, the defendant argues that at the material juncture, it had no knowledge of the plaintiff's prior reputation and sales activities in Singapore. Therefore, there is no bad faith on the part of the defendant and no basis to invalidate the Trade Marks. In relation to the revocation of the Trade Marks, the defendant submits that the evidence adduced of its use of the 'WARMAN' mark on

pumps and pump parts constitutes genuine use of the Class 7 trade mark, and that mark should not be revoked. It concedes, however, that it has tendered no evidence of use of the marks in Classes 37 and 42. The dispute in the issue of revocation is therefore confined to the 'WARMAN' mark registered by the defendant for Class 7 goods.

The trade mark regime

36 The plaintiff's applications for invalidation and revocation are tethered to the contentions that the defendant's registered marks should be removed from the trade mark register because they never should have been there in the first place (in the case of invalidation) and because they should not be there anymore (in the case of revocation). The issues raised in these applications are, in the final analysis, inextricably tied to the rationale underpinning the trade mark registration regime and the protection it confers on registered trade marks. As such, I find it helpful, and indeed appropriate, first to set out the broad objectives and functions of the trade mark registration regime.

Historical development of trade mark law in the United Kingdom

37 Special symbols and devices have been employed from the early days of commerce by merchants to establish and maintain the distinctiveness of their goods from those belonging to their competitors. However, even until 1742, in *Blanchard v Hill* (1742) 2 ATK 484, Lord Hardwicke refused to grant an injunction at the suit of a manufacturer of playing cards, to restrain the defendant from making and selling cards bearing a counterfeit of the plaintiff's mark. It should be noted, however, that the court had nevertheless remarked *obiter* that if the use of the mark were made with a *fraudulent design* or to *draw away customers* from the other trader whose mark was thus *appropriated*, that might be sufficient to maintain an action.

38 From the early 19th century, there were several reported infringement cases in the Courts of Chancery (see, for example, *Day v Day* (1816) Digest 21). However, the Courts of Chancery continued for some time to insist on the presence of a fraudulent intention as the crucial element to justify an action for infringement of a trade mark. However, this requirement was gradually abandoned and the Courts of Chancery eventually accepted that the owner of a trade mark had a proprietary right in his mark which he was entitled to protect against invasion: see *Morcom et al*, *The Modern Law of Trade Marks* (Butterworths, 2005, 2nd Ed) ("*Morcom et al*") at p 5. This right was definitively established in *Millington v Fox* (1834) 3 My & Cr 338. It was not however, until the merger of the common law courts with the Chancery Courts initiated by the Judicature Act of 1873 that *all* the courts finally jettisoned the requirement that fraud be first established in order to maintain a trade mark infringement action: see *Morcom et al* at p 6. I note, however, that despite the courts' dispensation of fraud as an essential ingredient in a trade mark infringement action, abhorrence against any fraudulent conduct manifested by a trade mark user continues to find expression in modern trade mark registration regimes in many developed legal systems, *inter alia*, through provisions proscribing bad faith. Trade marks must not be registered in bad faith, and if a mark has been registered in circumstances that exude a lack of *bona fides*, the registration will be deemed invalid.

The purpose of the trade mark registration regime

39 The Trade Marks Registration Act 1875 was the first statute that permitted actual trade mark registration in the United Kingdom. This was a significant step in the protection of intellectual property rights as it provided statutory relief to traders seeking to protect their legitimate rights. Prior to this, the only means of protection would have been to initiate a passing off action at common law (see [38] *supra*). This was (and is) a usually lengthy, expensive and often complex process, even with the abolishment of fraud as the primary constituent of the action. Establishing proof of the

essential elements of goodwill, misrepresentation and damage in a passing off action has always been a fairly onerous burden to discharge.

40 The purpose of trade mark registration is succinctly and incisively summarised by the authors of *Morcom et al* at p 6:

An important purpose of registration of trade marks was to afford protection to the trader without the need of establishing his title to his trade mark by evidence. The entry of a trade mark on a register was *presumptive evidence of the right of the registered proprietor* to the exclusive use of the mark for the goods specified. At the same time the *public would be better protected against deception* and *rival traders were given notice, by the register, of the rights claimed in the registered mark.*

[emphasis added]

41 It is plain that the trade mark register is intended to be a comprehensive and accurate record of trade marks currently in use. As such, it is crucial to maintain the accuracy of the register and to ensure that undeserving and invalid trade marks are removed from the register without undue delay and complication. In addition, the register is meant to assure and endorse the function of registered trade marks as badges of origin (see [43]-[44] *infra*) so as to protect the public against deception. Hence marks that are misleading or likely to cause confusion or no longer serve their function should not be accepted or allowed to remain on the register, as the case may be.

42 Finally, the register is also meant to notify rival traders dealing in similar products of the rights over particular trade marks possessed by the registered proprietor. As such, it is also important that these registered marks be *in actual use* or be *bona fide intended to be used* by the registered proprietors; any contrary approach would result in unjust monopolies where devious registered proprietors could prevent the use of a mark by others despite not having any intention to use it, *simply* by reason of prior registration. Indeed, such 'squatting' situations are addressed by most modern trade mark registration statutes, which require that the registrant has at least a *bona fide* intention to use a mark before registering it (see, for example, s 5(2) of the TMA; s 32(3) of the English Trade Marks Act 1994). Kitchin et al, *Kerly's Law of Trade Marks and Trade Names* (Sweet & Maxwell London, 14th Ed, 2005) at p 237 helpfully illustrates this by reference to three instances of hijacking a mark or spoiling a competitor's plans that suggest bad faith:

(1) The applicant has no *bona fide* intention to use the trade mark at all, but wishes to prevent a competitor from using the, or a similar, mark;

(2) The applicant has no present or fixed intention to use the mark, but wishes to stockpile the mark for use at some indeterminate time in the future; and

(3) The applicant becomes aware that someone else plans to use the mark, and files a pre-emptive application with a view to selling it.

The modern-day function of a trade mark

43 The essential function of a trade mark has been coherently set out by Laddie J in *Glaxo Group & Others v Dowelhurst Ltd (No 2)* [2000] FSR 529 ("*Dowelhurst (No 2)*") at p 540-541:

... [T]he mark is a sign to the customer, both that the goods are the goods of a particular source (whether he knows or cares what that source is) and that the proprietor of the mark holds

himself out as responsible for those goods and their quality. This representation of responsibility for quality is inseparable from the mark's function as an indication of source. ... The proprietor of a mark can raise or lower the quality of his goods at will. ... *So the mark does not represent quality as such. Rather it indicates that the goods are of the standard which the proprietor is content to distribute under his banner.*

[emphasis added]

44 This vital characteristic of the trade mark is addressed, *inter alia*, by the crucial requirement of distinctiveness demanded by modern trade mark legislation; further, provisions against bad faith in trade mark legislation continue to legally denounce the appropriation of another's goodwill in a mark by registration, which results in the erosion of the function of that mark as a badge of origin. It is plain that trade mark legislation is generally enacted to promote the effective functioning of trade marks legitimately in use. This should be borne in mind when interpreting and applying such legislation.

45 Before I move on to deal with the specific issues at hand, I find it apt to reiterate the perceptive observations of Laddie J in *Dowelhurst (No 2)* (see [43] *supra*) at pp 539-540:

Unfortunately, there is much mystique surrounding trade marks. Where registered marks are concerned, there have grown up detailed and sometimes obscure statutory provisions relating to registration, infringement and validity. Marks can be created and destroyed, bought, sold and licensed. Sometimes they can be very valuable. However, the complex statutory framework and the value of marks can sometimes blind us to their essential features and functions.

I cannot agree more, and to those astute words I must also add that when faced with trade mark cases involving complex law *or* facts, it is always helpful, and sometimes even critical, to keep in mind the essential objective of trade marks and the nature of the protection conferred by the trade mark registration regime. This is particularly important in a case with a unique and novel factual matrix such as the present.

Preliminary note on the issue of invalidation

46 The sections stipulating for invalidation on the ground of bad faith are:

(a) Section 7(6) of the TMA:

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

(b) Section 23(1) of the TMA:

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

With respect to invalidation for fraud or misrepresentation, the provision is as follows:

Section 23(4) of the TMA:

The registration of a trade mark may be declared invalid on the ground of fraud in the registration or that the registration was obtained by misrepresentation.

47 I must point out that I am keenly aware the defendant's registration of the Trade Marks took place in 1996 and 1997, and the TMA had not then come into force. The applicable law governing

these registrations therefore remains *ex facie* the Trade Marks Act (Cap 332, 1992 Rev Ed). However, the Third Schedule of the TMA sets out transitional provisions, of which para 17(2) is relevant to the present proceedings. It provides:

For the purposes of proceedings under section 23 of this Act as it applies in relation to an existing registered mark, the provisions of this Act shall be deemed to have been in force at all material times, except that no objection to the validity of the registration of an existing registered mark may be taken on the ground specified in Section 8(3) of this Act.

In light of this, s 23(1) read with s 7(6) of the TMA, as well as s 23(4) of the TMA, is applicable to the present application apropos the invalidation of the Trade Marks.

Bad faith

48 The appropriate test for bad faith under s 7(6) of the TMA was first reviewed by our courts in *Rothmans of Pall Mall Limited v Maycolson International Ltd* [2006] 2 SLR 551 ("*Maycolson*") where Lai Siu Chiu J endorsed, at p 561, Lindsay J's succinct formulation of the concept of bad faith in *Gromax Plasticulture Ltd v Don & Low Nonwovens Ltd* [1999] RPC 367 ("*Gromax Plasticulture*") at 379:

... Plainly it includes dishonesty and, as I would hold, includes also some dealings which fall short of the standards of acceptable commercial behaviour observed by reasonable and experienced men in the particular area [of trade] being examined.

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 SC in *Law of Trade Marks and Passing Off in Singapore, Sweet & Maxwell Asia (2005, 2nd Ed)* ("*Tan Tee Jim*") at p 129.

49 In the present case, it is common ground that the key issue in the determination of bad faith pivots around the fulcrum of proprietorship of the 'WARMAN' mark in Singapore. It appears to me to be an incontrovertible proposition that if a registrant of a trade mark has proprietorship of that trade mark, or at the very least, the *right to register* that trade mark, then such registration of the trade mark should fall well within the standards of acceptable commercial behaviour observed by reasonable and experienced persons in the particular trade. Conversely, where it can be shown that the applicant knew of an *exclusive* proprietary right of *another* in relation to the trade mark it seeks to furtively register, then any such registration would, almost invariably, quite clearly fall short of the relevant standards. As such, it is important to first examine and determine the issue of proprietorship.

Proprietorship of the 'WARMAN' mark in Singapore

The agreements between the parties

50 On the present facts, the intent and purport of the Agreements, and in particular, the 1971 Agreement, are of paramount significance in determining the issue of proprietorship of the 'WARMAN' trade mark.

51 The Agreements do not expressly deal with trade mark rights in Singapore. The only specific mentions of trade marks arise in cll 5(l), 5(m) and 6 of the 1969 Agreement; the 1971 Agreement does not make any express reference to trade marks at all. Clause 6 of the 1969 Agreement mandates the

assignment to Peko of all trade marks 'the property of [the defendant] *at such time*' (see [8] *supra*). This merely transfers to the plaintiff's predecessor the trade marks owned by the defendant *at the time the 1969 Agreement was reached*, which do not include any trade mark rights in Singapore. Clause 5(l) states that the Fourth Schedule sets out particulars of, *inter alia*, all trade marks held by CHW and the defendant throughout the world; and cl 5(m) provides for the Fifth Schedule to set out particulars of, *inter alia*, all trade marks to pass into Peko's control upon completion of the 1969 Agreement. Trade mark rights in Singapore feature in *neither* the Fourth nor the Fifth Schedule. Hence, the contractual arrangement between the parties with respect to trade mark rights in Singapore, if any such arrangement exists, must be implied into the Agreements.

52 The plaintiff submits that the Agreements must be construed as conferring on the *plaintiff* sole-proprietorship of the 'WARMAN' mark in Singapore since exclusive manufacturing rights are granted to the plaintiff; or that the agreements are at best *silent* as to proprietorship of the mark and consequently, by virtue of prior use, the plaintiff is the common law proprietor of the mark. In contrast, the defendant argues that on a proper interpretation of the agreements, *both* the plaintiff and the defendant are entitled to use the 'WARMAN' mark in Singapore and to claim proprietorship over the mark; this argument is premised on the fact that the 1971 Agreement allows *both* parties to sell their products under the 'WARMAN' mark in the Non-Exclusive Territories.

Implying a contractual term

53 The law relating to the implication of a term in a contract has been set out with clarity by Andrew Phang J (as he then was) in *Forefront Medical Technology (Pte) Ltd v Modern-Pak Pte Ltd* [2006] 1 SLR 927 ("*Forefront*"). He held that terms can only be implied if both the 'business efficacy' and the 'officious bystander' tests are satisfied. Phang J then cited (at [35]) Scrutton LJ in *Reigate v Union Manufacturing Company (Ramsbottom), Limited and Elton Copdyeing Company, Limited* [1918] 1 KB 592 at p 605 to illustrate the inclusiveness as well as complementarity of the 'business efficacy' and 'officious bystander' tests in practice:

A term can only be implied if it is necessary in the business sense to give efficacy to the contract; that is, if it is such a term that it can confidently be said that if at the time the contract was being negotiated some one had said to the parties, "What will happen in such a case," they would both have replied "Of course, so and so will happen; we did not trouble to say that; it is too clear." Unless the Court comes to such conclusion as that, it ought not to imply a term which the parties themselves have not expressed.

54 I also respectfully associate myself with Phang J's observations at pp 937-938 of *Forefront* where he further clarified the 'business efficacy' and 'officious bystander' tests:

However, it is important to note that the tests considered above relate to the possible implication of a *particular* term or terms into *particular* contracts. In other words, the court concerned would examine the *particular factual matrix* concerned in order to ascertain whether or not a term ought to be implied. This is the established general approach, regardless of the view one takes of the "business efficacy" and "officious bystander" tests. There are practical consequences to such an approach, the most important of which is that the implication of a term or terms in a particular contract *creates no precedent for future cases*. In other words, the court is only concerned about arriving at a just and fair result via implication of the term or terms in question in that case – *and that case alone*. The court is only concerned about the presumed intention of the particular contracting parties – *and those particular parties alone*. [emphasis in original]

Therefore, the crucial question here is whether a term should be implied into the Agreements, having regard to the particular factual matrix within which the Agreements were reached and the intentions of the parties as primarily construed from the express terms of the Agreements; and if so, what is the term that should be implied.

55 On the facts, the 1971 Agreement is the agreement apportioning the trading rights of the parties with respect to the 'WARMAN' products, and if a term as to the proprietorship of the 'WARMAN' trade mark is to be implied, it should be implied into that agreement. The 1969 Agreement, on the other hand, provides the backdrop of the commercial relationship between the parties against which the 1971 Agreement is to be understood. Thus, in considering the implication of a term, I accordingly direct my mind primarily to the 1971 Agreement.

56 For the purposes of proprietorship of the 'WARMAN' mark, cl 2 of the 1971 Agreement (set out in [15] *supra*) is of the utmost importance. In that clause, CHW assigned to Peko his right to make and sell 'Products and Licensed Items' anywhere in the world. It is noteworthy that 'Licensed Items' are defined with reference to the trade mark 'WARMAN', and items listed as such are 'WARMAN' marked items (see [14] *supra*). CHW had, however, retained his right to make and sell 'Products and Licensed Items' in Japan and Africa as well as to use and sell these 'Products and Licensed Items' manufactured in Japan and Africa in Non-Exclusive Territories (of which, Singapore is one). As an aside, CHW assigned such rights pertaining to Japan to the plaintiff in 1981 (as mentioned in [18] *supra*), and thus for the present purposes, the defendant only has the right to make the relevant products in Africa, and to sell these products in Africa as well as in the Non-Exclusive Territories.

57 Counsel for the defendant, Mr Dedar Singh, suggests that since *both* the plaintiff and the defendant (through their respective predecessors) possess the right to *sell* various relevant products under the 'WARMAN' trade mark in Non-Exclusive Territories, it must necessarily follow that *both* must have the right to *protect* that trade mark under which they are selling. Consequently, it should be implied that *both* must have the *right to register* the 'WARMAN' trade mark in Non-Exclusive Territories, including Singapore. In contrast, counsel for the plaintiff, Mr M Ravindran, argues that the fact that cl 2 of the 1971 Agreement only gives the *plaintiff and not the defendant* the right to *make* the relevant products under the 'WARMAN' mark in Non-Exclusive Territories indicates that the parties intended the *plaintiff* to have *exclusive* proprietorship of the mark in Singapore, and a term should be implied to that effect. Further, he asserts that the defendant operates under a limited licence from the plaintiff to sell 'WARMAN' marked products in Singapore and any infringement proceedings that the defendant wishes to institute must be *through the plaintiff*, the registered proprietor of the mark.

58 Having regard to the totality of the evidence before me, and especially the express terms of the 1971 Agreement governing the apportionment of rights with respect to 'WARMAN' marked products, I am inclined to conclude that *on these particular facts*, the right to register, and thus to protect, the 'WARMAN' trade mark is necessary to give business efficacy to the right to sell products under that mark. While the parties had not directed their minds specifically to future registrations of the 'WARMAN' trade mark in Singapore at the time of the 1971 Agreement, I am satisfied that if one were to ask the parties at that time what the position was with respect to the right to register the mark in Non-Exclusive territories, the obvious answer would be that *both* the plaintiff and the defendant would be equally entitled to such right. I draw this conclusion from the position of the parties in relation to their *exclusive* territories, as well as from commercial logic and commonsense. I now elaborate on my reasons for coming to this conclusion.

59 The position taken by the parties on the matter of trade mark registrations in their respective exclusive territories is clear and undisputed. Only the plaintiff has the right to make and sell products under the 'WARMAN' mark in its exclusive territories, as marked in red and mauve on the map in

Appendix 'B' of the 1971 Agreement. The plaintiff has therefore interpreted the agreement as conferring upon it the right to register the 'WARMAN' trade mark in these territories, as evidenced by its registrations in various countries in America, Europe and Australasia. Similarly, the defendant has registered the 'WARMAN' trade mark in numerous African countries, and appears to have taken the view that it has the right to register the 'WARMAN' mark in Africa, the territory where only it can make and sell the relevant products. There seems, therefore, to be an understanding between the parties, based on their positions as created by the various agreements between them, that the plaintiff is the only proprietor of the trade mark in its exclusive territories and the defendant is the only proprietor of the trade mark in its only exclusive territory, Africa. Thus, it stands to reason that with respect to the *Non-Exclusive* Territories as stipulated by the 1971 Agreement, wherein *both* parties have the right to sell 'WARMAN' marked products, *both* parties must have the right to protect and register the 'WARMAN' trade mark.

60 Protection of the 'WARMAN' mark in Singapore necessarily entails the registration of the trade mark since only registered proprietors can prevent the use of the mark by unauthorised parties through infringement proceedings. Admittedly, the tort of passing off may be available to traders using particular trade marks. However, I am of the view that the 1971 Agreement in giving the parties a right to use the 'WARMAN' mark in Non-Exclusive Territories must have envisaged a stronger protection than that simply provided by common law tort. The elements of goodwill, misrepresentation and damage, the necessary prerequisites for an action in passing off, are at odds with an understanding of the 1971 Agreement, which *unequivocally confers on* both the plaintiff and the defendant unfettered rights to sell the relevant products under the 'WARMAN' mark in Non-Exclusive Territories. Besides, many of the non-exclusive territories are not common law based jurisdictions. *Since the right to sell is unfettered, the corresponding right to protect the trade mark should be equally so, and it is only the statutory trade mark regime that can offer such unqualified protection.*

61 In addition, I am of the view that the plaintiff's suggested interpretation of the 1971 Agreement – that the plaintiff is the exclusive proprietor of the 'WARMAN' mark – is commercially implausible and unviable in light of the rights apportioned to both parties through the 1971 Agreement. A simple example suffices to illustrate this. Consider the situation where the defendant wishes to start trading in a Non-Exclusive Territory, wherein neither party has any prior presence and wherein the plaintiff has neither any present nor any future interest. If the plaintiff's suggestion is accepted, the defendant will not be able to independently protect the 'WARMAN' mark in that territory as the defendant will have no right to register that trade mark. Instead, if the plaintiff is correct, the defendant will have to plead with the plaintiff to register the trade mark in that territory with which the plaintiff might have no interest or connection, so that it may institute infringement proceedings through the plaintiff. What if the plaintiff refuses? Must it and can it then join the plaintiff as a co-defendant? This leads to an utterly incomprehensible result and surely flies against all commercial logic.

62 It is clear that the 1971 Agreement must have contemplated that both the plaintiff and the defendant should be entitled to individually and independently avail themselves of the protection afforded by the trade mark registration regime apropos the 'WARMAN' mark under which each of them trades. The right to protect the trade mark is necessarily implied by the right to sell in this particular case. I caution, however, that this conclusion is drawn from the *particular* factual matrix of this case (see Phang J's observations at [54] *supra*); significantly, the nature of the relationship between the parties was an important consideration. It is by no means a proposition of law that the right to protect must *inevitably* result from *any* unfettered right to sell.

Trade mark license

63 One instance of a right to sell under a trade mark being divorced from a right to protect that mark by way of trade mark registration is in the case of a trade mark licensee. This is perhaps an appropriate juncture to deal with the plaintiff's assertion that the defendant's right to sell under the 'WARMAN' trade mark derives from a licence conferred by the plaintiff. In light of established authorities on the nature of a trade mark licence, it is my view that this assertion is incorrect.

64 The test for the validity of a trade mark licence was set out in *Rainforest Coffee Products Pte Ltd v Rainforest Café, Inc* [2000] 2 SLR 549 where Lai Kew Chai J, in delivering the judgment of the Court of Appeal, endorsed the English decision in *Bostitch TM* [1963] RPC 183 at p 567:

... The key to the validity of a trade mark licence was whether or not the licence arrangement had destroyed the trade connection between the proprietor of the trade mark and the goods

Therefore, for there to be a valid trade mark licence between parties, there must be a trade connection between the purported proprietor of the trade mark (allegedly the plaintiff, in this case) and the goods ultimately sold under the mark by the licensee (the defendant's goods, in this case).

65 In the commentary of the TMA by Mr M Ravindran in *Butterworths' Singapore Statutes – Intellectual Property* (Butterworths, 2002) ("the *Butterworths' Statutes*"), it is stated that whether the proprietor has any trade connection with the goods or services in question is ultimately a question of fact. Mr Ravindran, coincidentally the counsel for the plaintiff in the present case, explains in the commentary at p 126:

... if the proprietor does not in fact exercise control or supervise the use of his registered trade mark (notwithstanding provisions which allow him to do so), there is no trade connection between him and the goods or services for which the mark has been registered.

It appears to be trite law that to establish the requisite trade connection for a valid trade mark licence, there must be at least *some* control or supervision of the use of the trade mark by the purported licensee.

66 The same view has been adopted in *Tan Tee Jim* ([48] *supra*) at p 216 in relation to the licensing of unregistered trade marks. The learned author is of the view that such licence is valid only if there is a quality control relationship between the licensor and the goods or services in question.

67 The leading treatise of Wilkof and Burkitt, *Trade Mark Licensing* (Sweet & Maxwell, 2005, 2nd Ed) at p 252, notes that the approach in the United States of America with respect to implied licences emphasises that evidence of control is necessary for an implied trade mark licence. The authors cite the American case of *Villanova University v Villanova Alumni Educational Foundation, Inc*, 123 F Supp 2d 293, for the proposition that the existence of an implied trade mark licence requires evidence that permission was given to use the mark, coupled with an exercise of reasonable control over such use. This requirement is assessed by the objective conduct of the parties. This seems sensible.

68 Both from precedent and logic, I conclude that a trade mark licence arrangement between the plaintiff and the defendant may only be established if the plaintiff exerts some manner or form of control or supervision over the defendant's goods. From the undisputed facts, I note that the plaintiff and the defendant are in fact two entities trading separately and entirely independently of each other, albeit in goods having a common heritage and affixed with an identical trade mark. As such, neither party can control or supervise the other's goods and use of the trade mark in the Non-Exclusive Territories. I find, therefore, that there is no trade connection between the plaintiff and the defendant's goods, and accordingly, that there can be no basis for asserting that the plaintiff or its

predecessors has merely conferred a trade mark licence on the defendant.

Relevance of manufacturing rights

69 I turn now to the plaintiff's further submission – that the plaintiff's right to *make* the relevant products under the 'WARMAN' trade mark in Singapore, coupled with the defendant's *lack* of such right, is a decisive factor ineluctably demonstrating the *exclusive* proprietorship that the plaintiff has over the mark.

70 The plaintiff takes the view that the right to manufacture under the 'WARMAN' mark in Singapore is crucial to the finding of proprietorship of that mark, and consequently, the right to register that mark. In *Gromax Plasticulture* (at [48] *supra*), however, Lindsay J, in finding that a non-manufacturer could have the right to register a trade mark, remarked perceptively at 380:

... [I]t is not a requirement that a mark on goods should invariably denote the manufacturer of them. It has been common enough, especially while, for example, Far Eastern labour costs have been lower than those here, for manufacturers to establish a mark in the market only later to find it is more economical or profitable for them to give up manufacture themselves but to have the goods instead made elsewhere under their control or to their specification.

[emphasis added]

71 I agree. The *fact* of manufacture is often irrelevant in assessing the rights of registration to a trade mark; *a fortiori* the *place* of manufacture is also normally irrelevant. If it is not a requirement that a trade mark denotes the manufacturer of the goods on which it is affixed, then how can it be said that the right to register a trade mark is circumscribed or conferred by the right to manufacture in the place of registration *per se*? Conversely, how can it be said that the *absence* of the right to manufacture in a particular place *in itself* deprives a party of the right to register a trade mark?

72 Admittedly, Lindsay J's comments in *Gromax Plasticulture* in [70] above were made in respect of a registrant who *chose* not to manufacture in the place of registration of the trade mark. Nonetheless, I am of the view that they should apply equally to a registrant who is contractually *restrained* from manufacturing there. This is derived from my understanding of the principles underpinning the trade mark regime: see [36] to [45] *supra*.

73 In *Tan Tee Jim* (at [48] *supra*), the underlying rationale of trade mark protection has been helpfully summarised at p 1:

... [A] trade mark acts as a badge of origin or source to the consumer, conveying an underlying message concerning the quality and other desirable characteristics of the goods or services in question. It in effect offers a guarantee to the consumer that the goods or services emanate from the same source or are of the same or equal quality as those that he had used or experienced before.

Reference may also be made again to the observations of Laddie J in *Dowelhurst (No 2)* set out in [43] above. Nowhere in these two references are the manufacturing rights mentioned. It is not surprising that Mr Ravindran has also been unable to draw to my attention any authority endorsing the proposition that a trade mark serves to indicate the *place of manufacture* of goods or services. Manufacturing rights are clearly quite *irrelevant* to the purposes that a trade mark serves. As such, since the trade mark register must protect the public against deception by only keeping on record trade marks *that serve their function* (see [40] to [41] *supra*), the absence of any manufacturing

rights in, or change of any place of manufacture from, the place of registration should *not* be a basis to refuse to register or remove a trade mark from the register. It is not the essence of trade mark registration for the registrant to have the right to manufacture in the place of registration. So long as the registrant has a legitimate right to *use* that mark in the place of registration in respect of its goods and services (and save in the case of trade mark licensees which is not presently applicable (see [63]-[68] *supra*)) then that registrant should *prima facie* have the right to register the mark.

74 In the present case, the defendant is in fact the manufacturer of the relevant products sold in Singapore under the 'WARMAN' mark and the 'WARMAN' marked goods do in fact originate from it; it is simply that the defendant must manufacture only in Africa. I am not convinced that this in itself deprives the defendant of its right to register the 'WARMAN' mark in Singapore. The plaintiff contends that if the defendant cannot manufacture goods under the 'WARMAN' mark in Singapore, it should not be possible for it to stop others from so manufacturing by virtue of its trade mark registration, and therefore, the defendant should not have the right to register the trade mark in the first place. I, however, adopt the contrary view. Even if the defendant, as a registered proprietor of the 'WARMAN' trade mark, does not have the right to manufacture goods under that mark in Singapore, the right to prevent others from doing so is nevertheless consistent with the function of a trade mark – that is, as a *badge of origin*. The defendant should be able to prevent others from manufacturing under that trade mark as such manufacture by a third party will be likely to cause confusion between the defendant's and that third party's goods. The fact that the defendant (or the plaintiff itself) may not manufacture in Singapore does not change this – the trade mark should signify that the goods bearing that mark originated from it, *wherever manufactured*; and either of them should be able to protect itself against *any* use of that trade mark by other parties which could erode that connection. Hence, I am of the view that the absence of a right to manufacture under a particular trade mark in the intended place of registration does not in itself necessarily preclude the right to register that mark.

Prior use

75 On the issue of proprietorship of the 'WARMAN' trade mark, the plaintiff had argued, in the alternative, that the agreements between the parties were *silent* about the right to register the trade mark in Non-Exclusive Territories, and hence, the plaintiff should be recognised as the *common law* proprietor of the mark in Singapore by virtue of its prior use of the mark here.

76 The proposition that the first user of the mark in Singapore is the true owner of the mark is acknowledged in '*DALIC' Trade Mark; Sifco Industries Inc v Dalic SA* [1998] 2 SLR 231. In that case, Lim Teong Qwee JC held at 236:

... in the case of a used trade mark the proprietor is the person who first used it in relation to goods or services for the purpose stated in the definition of 'trade mark' under the Act.

He endorsed Morrit LJ's statement in the English case of *Al Bassam Trade Mark* [1995] RPC 511, 525 at 241:

The statutory right to registration is given to he who is the proprietor. Proprietorship depends on use in the case of a used mark and the right to the unregistered mark cannot be assigned separately from the associated goodwill.

77 This correctly states the position at common law. However, the common law position on the proprietorship of a trade mark is merely the default position that applies in the absence of any contractual agreements between parties assigning or stipulating for the right to register a trade mark. This is in fact acknowledged by the plaintiff itself in its further written submissions of 2 February 2007

where it states at para 4:

In order for the Defendant to dislodge the Plaintiff's claim to proprietorship of the 'WARMAN' mark in Singapore in 1996 by virtue of use, the Defendant has to prove that the Agreements stipulate either expressly or implicitly that both parties are entitled to register the trade mark in Singapore

78 As I have interpreted the 1971 Agreement as having implicitly according *both* the plaintiff and the defendant the right to register the 'WARMAN' trade mark in Non-Exclusive Territories (see [53]-[62] *supra*), the defendant was entitled to 'dislodge' the plaintiff's claim of common law proprietorship based on prior use. There is, therefore, no further necessity to dwell on the issue of prior use.

Provision for the co-ownership of trade marks in the TMA

79 Finally, before I leave the issue of proprietorship, it is pertinent to note that the TMA itself provides specifically for the co-ownership of registered trade marks. This is set out in s 37 of the TMA (modelled on s 23 of the English Trade Marks Act 1994) and reads in full as follows:

(1) Where a registered trade mark is granted to 2 or more persons jointly, each of them is entitled, subject to any agreement to the contrary, to an equal undivided share in the registered trade mark.

(2) Subsections (3) to (8) apply where 2 or more persons are co-proprietors of a registered trade mark, by virtue of subsection (1) or otherwise.

(3) Subject to any agreement to the contrary, each co-proprietor is entitled, by himself or his agents, to do for his own benefit and without the consent of or the need to account to the other or others, any act which would otherwise amount to an infringement of the registered trade mark.

(4) One co-proprietor may not, without the consent of the other or others –

(a) grant a licence to use the registered trade mark; or

(b) assign or charge his share in the registered trade mark.

(5) Infringement proceedings may be brought by any co-proprietor but he may not, without the leave of the Court, proceed with the action unless the other, or each of the others, is either joined as a plaintiff or added as a defendant.

(6) A co-proprietor who is added as a defendant under subsection (5) shall not be made liable for any costs in the action unless he takes part in the proceedings.

(7) Nothing in subsection (5) shall affect the granting of interlocutory relief on the application of a single co-proprietor.

(8) Nothing in this section affects the mutual rights and obligations of trustees or personal representatives, or their rights and obligations as such.

80 This section regulates the situation which the Agreements seem to envisage. Where *both* the plaintiff and the defendant have the right to register a trade mark in Singapore, s 37(1) of the TMA allows each to be registered and entitled to an equal undivided share in the registered trade mark, subject to any agreement to the contrary. In the *Butterworths' Statutes* ([65] *supra*) at p 117, this

share in the trade mark is described as being akin to the right of joint tenants as opposed to tenants in common. This equal and undivided share seems to be contemplated by the Agreements as they provide for the right of both plaintiff and defendant to use the 'WARMAN' mark in Non-Exclusive Territories. Where one party has registered the mark in Singapore, and the other subsequently seeks registration, it accords with the Agreements, as I have construed them, that the later registration does not diminish the rights of the earlier registrant in the registered trade mark. The rights are not *divided*; instead, *both* parties now have the *same* rights in *full*.

81 In addition, it bears emphasis that s 37(3) of the TMA gives registered co-owners of a trade mark significant powers to act and deal with their registered marks without the need to consult and seek the consent of the other co-owners. Indeed, this subsection aptly illustrates the entire relationship between the plaintiff and the defendant in respect of the 'WARMAN' trade mark in the Non-Exclusive Territories. As is apparent from the discussion above at [63] to [68], neither party is a trade mark licensee of the other since a supervisory or control relationship is conspicuously absent. In contrast, any use of the 'WARMAN' mark by either party would be self-interested, independent and autonomous; as such, this arrangement appears to be congruent with rights conferred by s 37(3).

82 Finally, the provisions on infringement proceedings in s 37 of the TMA are significant. The basic principle is that co-owners can initiate action without the consent of the other co-owners, but the former must add the latter as defendants or plaintiffs if the infringement action is to be proceeded with. The main reason for joining all the co-owners to the action is explained in the *Butterworths' Statutes* (at [65] *supra*) at p 118 as:

The main reasons why all the co-owners must be joined to the action is to ensure that they have notice of the same and all the issues are resolved once and for all and a defendant does not subsequently have to face a suit by another co-owner. Leave may be given by the Court so that the co-owners are not added to the action but this would be rarely done. A reluctant co-owner can be added as a defendant and he will not be liable for costs if he does not take part in the proceedings.

Thus, co-owners of a registered trade mark are *each* given the right to *protect* their mark, much like the respective rights of the plaintiff and defendant to protect the 'WARMAN' mark in a manner that corresponds to their respective rights to use that mark. The only necessary involvement of an indifferent co-owner in infringement proceedings brought by the other co-owner is for the former to be joined to the action so that notice of the proceedings is received; the joined co-owner may in fact choose not to take part in the proceedings at all without any adverse consequences. This independent right to institute infringement proceedings seems to be in harmony with the right to protect the 'WARMAN' mark in the Non-Exclusive Territories that the Agreements conferred on the parties.

83 Indeed, the very existence of s 37 of the TMA lends support to the implication of a term in the Agreements between the parties to the effect that *both* the plaintiff and the defendant have the right to register the 'WARMAN' mark in the Non-Exclusive Territories, and in particular, in Singapore. Not only are there no legislative obstacles against such an implication, s 37 of the TMA in fact provides for such a situation. This further bolsters my view that the term implied into the agreements is commercially viable and is both apt and necessary to give effect to business efficacy to the intent of the 1971 Agreement.

An additional duty to disclose?

84 Having found that the defendant did have a right to register the 'WARMAN' trade mark in

Singapore, the question is then whether on the present facts, this is sufficient to negate any bad faith on the part of the defendant in registration. The test for bad faith has been discussed above at [48] and it appears *prima facie* correct (see [49] *supra*) that where a registrant of a trade mark has proprietorship of that trade mark, the registration of that trade mark should be deemed acceptable commercial behaviour for the purposes of the bad faith test. However, in the local High Court case of *Maycolson* (at [48] *supra*), it was suggested that the imposition of a duty to inquire is wholly consistent with the trend in case law development regarding the test for bad faith in s 7(6) of the TMA (at p 561). Does this duty to inquire then translate to a duty to *disclose* in the present case? In other words, did the defendant have a duty to disclose to the Registrar of Trade Marks their contractual relationship with the plaintiff at the time of registration of the 'WARMAN' mark? And did the failure to disclose constitute a finding of bad faith on the part of the defendant?

85 To understand the ambit and boundaries of this "duty to inquire", it would be appropriate to examine the facts and reasoning in *Maycolson* (at [48] *supra*).

86 In that case, the applicant was the registered proprietor in Singapore of numerous trade marks for cigarettes. The respondent was the licensee of Axel and Klaus Hertlein ("the Hertlein brothers") and the distributor of "Fairlight" cigarettes in various Arab countries and East Africa. The respondent filed an application to register the "Fairlight" trade mark in Singapore and this was accepted by the Registrar of Trade Marks. The applicant commenced opposition proceedings, alleging, *inter alia*, bad faith under s 7(6) of the TMA. As at the date of the proceedings, "Fairlight" cigarettes had not been sold in Singapore and there was a long-standing saga between the applicant and the Hertlein brothers who had been embroiled in a bitter fight over the latter's use of the "Fairlight" mark. The Hertlein brothers were, at that time, subject to a Europe-wide injunction which prevented them from using the "Fairlight" mark or packaging; this injunction only applied to a mark that was not identical to the respondent's mark in *Maycolson*. However, the applicant was also concurrently involved in litigation against the Hertlein brothers in Austria where the applicant alleged that despite the variation of the "Fairlight" mark used by the Hertlein brothers, the terms of the Europe-wide injunction had nevertheless been flouted because of the similarities between the varied "Fairlight" mark and the mark embraced by the injunction.

87 In the prevailing circumstances, *Lai Siu Chiu J* in *Maycolson* (at [48] *supra*) held that the respondent clearly had a duty to inquire into the origins of the "Fairlight" mark and the intentions of the Hertlein brothers, from whom they purportedly derived the license, particularly since the use of similar marks had been persistently plagued by litigation overseas. In arriving at this determination, *Lai J* felt that policy considerations dictated that due regard must be given to the outcome of overseas proceedings, and registrants cannot with impunity ignore foreign proceedings in seeking registration of questionable marks. She stated at p 562, [35]:

The Respondent's failure to [inquire] was akin to wilful blindness, and indicated bad faith because honest people would not deliberately close their eyes and ears and refrain from asking questions, lest they obtain information they would rather not know

88 It was in that factual matrix that a duty to inquire was imposed on the respondent. The facts of the present case are markedly different. Here, there is no purported ignorance of any problem surrounding the 'WARMAN' mark on the part of the defendant. The pending invalidation proceedings instituted by the plaintiff in Israel and Jordan (see [21] *supra*) did not, as in *Maycolson*, result in injunctions against the registration and use of the 'WARMAN' mark by the defendant. Further, there is also no question of wilful blindness in relation to the plaintiff's right to register – the defendant knew of the plaintiff's right, and has never denied it. The defendant is, instead, contending that it too has an equal and concurrent right to register. Mr Ravindran drew my attention to an exchange of letters

evidencing that the defendant had written to the plaintiff on 12 January 1995 to formalise the trade mark registration arrangements in the Non-Exclusive Territories to which the plaintiff had replied on 9 May 1995 ("plaintiff's reply of 9 May 1995"), categorically objecting to the defendant's proposal to use the 'WARMAN' trade mark in the Non-Exclusive Territories. He contends that this exchange of letters reflected bad faith on the part of the defendant as the defendant had filed for registration of the 'WARMAN' mark in Singapore *notwithstanding notice of the express objection of the plaintiff*. With respect, this is not the nub of the issue. I have found that the defendant did have a *contractual right*, albeit implied, to register the 'WARMAN' trade mark, and it *matters not* that the plaintiff has objected to the defendant's registration of the 'WARMAN' mark in Non-Exclusive Territories. As such, it surely cannot amount to bad faith for the defendant to have proceeded with its trade mark registration in Singapore because the plaintiff's objections cannot have detracted from the defendant's contractually derived rights to register the mark. In such a case, there is no issue of a duty to inquire, as there is *nothing* to inquire. The defendant does not deny knowledge of any material fact – it knows of the plaintiff's objections; it merely asserts its *entitlement* to register *despite these objections*. Is there, then, a duty to *disclose* what the defendant *does* know – in particular, the plaintiff's objections or the plaintiff's equal contractual right to register? I think not.

89 The duty to inquire in *Maycolson* only arose in relation to a registrant feigning ignorance of facts that would have negated its right to register. In contrast, where one does not deny awareness of material facts surrounding the registration of a trade mark, and relies instead on an independent *right* to register, as in the present case, there should not be any basis for creating a broad and general 'duty to disclose' on the registrant. Such a duty, besides being difficult to define, would create uncertainty as to the relevant circumstances that must be disclosed on registration. Thus, so long as the facts and circumstances required by the trade mark registration form are disclosed fully and accurately, and *where one has the right to register the trade mark*, it goes too far, in my opinion, to require the registrant to additionally disclose any other circumstances that may be relevant. I am aware that the defendant had not disclosed, in its application to register, the plaintiff's objection to the defendant's registration of the 'WARMAN' mark in Non-Exclusive Territories, as evidenced by the plaintiff's reply of 9 May 1995 (see [88] *supra*). I am, however, unable to agree with the plaintiff that this failure to disclose *per se* amounts to bad faith. The plaintiff's objections did not affect the defendant's right to register the 'WARMAN' mark conferred by the Agreements. Aside from the fact that there is no broad duty to disclose imposed on a registrant, the plaintiff's objections do not constitute *relevant* circumstances mandating disclosure. It was unnecessary for the defendant to point out in its application that the plaintiff was similarly entitled to claim proprietorship. This could unnecessarily complicate and delay the registration process. The defendant may well register in a Non-Exclusive Territory in which the plaintiff has no prospective interest. Such disclosure would therefore not invariably be expected by 'reasonable and experienced men in the trade' according to their standards of 'acceptable commercial behaviour' (see [48] *supra*). Instead, it should be up to the party who seeks registration at a later date to tender contractual evidence of an agreement to persuade the Registrar of Trade Marks to permit dual registration of a registered trade mark.

90 I am therefore of the view that there was no additional duty to disclose imposed on the defendant at the material time given that the defendant has the right to register the 'WARMAN' trade mark in Singapore. In the result, I must conclude that there is no evidence of bad faith on the part of the defendant that could justify the invalidation of its trade mark registration under s 23(1) read with s 7(6) of the TMA.

Fraud or misrepresentation

91 The plaintiff further contends that the defendant's registration of the 'WARMAN' trade mark in Singapore should be invalidated on grounds of fraud or misrepresentation pursuant to s 23(4) of the

TMA. Having found that the defendant has a contractual right under the 1971 Agreement to register the 'WARMAN' mark in Non-Exclusive Territories, this contention can be shortly disposed of.

92 A registration made under fraud or with misrepresentation is one that succeeds only on the strength of an untrue statement made by the registrant. In *National Diaries Ltd v Xie Chun Trading Pte Ltd* [1998] 1 SLR 620, it was held that the registered proprietor had obtained registration by fraud in that they claimed to be the proprietors of the mark when in fact they were simply the sole agents for products sold under the mark and manufactured in Australia. Further, in *Yomeishu Seizo Co Ltd & Anor v Sinma Medical Products (S) Pte Ltd* [1991] SLR 499, Chan Sek Keong J (as he then was) found that there was a serious issue of fraud in relation to the registration of the trade mark 'Yomeishu' together with the Chinese characters. There was endorsement during advertisement that the mark had no meaning and the mark had proceeded to registration on the strength of a UK registration which had an identical endorsement. However, an expert in Chinese language subsequently gave evidence to say that the Chinese characters meant 'the kind of wine that is tonic, nourishing and good for health'. The learned judge concluded that the UK Registry would never have accepted registration of the mark if they knew its meaning. Both these cases involve some form of *untrue* representation and the consequential reliance on that representation by the Registrar of Trade Marks in accepting the registrant's application.

93 In the present case, there was no untrue representation on the part of the defendant – the defendant represented that it had the right to register the 'WARMAN' mark in Singapore, and it does indeed have such right. The plaintiff argues that the defendant misrepresented its trading nature in the application form for the registration of the 'WARMAN' mark when it described itself as 'manufacturers and merchants' *vis-à-vis* its use of the 'WARMAN' mark in Singapore; by describing itself as 'manufacturers', the defendant was representing to the Registrar of Trade Marks as well as the trade and the public that it had the right to manufacture pumps and pump parts in *Singapore* and that was untrue. I am not persuaded that this description by the defendant can be construed as misrepresentation. The defendant *was* in fact the manufacturer of the goods sold under the 'WARMAN' mark in Singapore; it was simply that the manufacturing was carried out in Africa instead of locally. This does not detract from the truth of the representation by the defendant that it was a manufacturer *vis-à-vis* the goods sold under the mark in Singapore. There has also been no misrepresentation by an omission to state that it was restrained from manufacturing in Singapore, as diffidently suggested by the plaintiff. The requirement that a registrant states its trading nature on the application form stems from the need to ensure that there is a relevant trade connection between the registrant and the trade mark so as to ensure, in turn, that the mark serves its function as a badge of origin. It is therefore unnecessary to additionally specify the *place* of manufacture or any restraints pertaining to it in order to satisfy the Registrar of Trade Marks (see discussion on the relevance of manufacturing rights at [69]-[74] *supra*). It follows that the omission by the defendant to state the manufacturing restraints it was contractually fettered by in describing its trading nature is not a material omission that can amount to a misrepresentation.

94 In the light of these reasons, the defendant's registration cannot be said to have been obtained by fraud or misrepresentation. The application to invalidate the Trade Marks on this ground must also be dismissed.

Revocation of the Trade Marks

95 The plaintiff seeks to revoke the Trade Marks pursuant to s 22(1)(a) of the TMA. Section 22(1)(a) provides:

- (1) The registration of a trade mark may be revoked on any of the following grounds:

(a) that, within the period of 5 years following the date of completion of the registration procedure, it has not been put to *genuine use* in the course of trade in Singapore, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

[emphasis added]

The relevant period

96 Sections 22(3) and (4) of the TMA explain the relevant period in which the non-use must occur in order for the court to revoke a trade mark pursuant to s 22(1). They state as follows:

(3) The registration of a trade mark shall not be revoked on the ground mentioned in paragraph (a) or (b) of subsection (1) if such use as is referred to in that paragraph is commenced or resumed after the expiry of the 5 year period and before the application for revocation is made.

(4) Any commencement or resumption of use referred to in subsection (3) after the expiry of the 5 year period but within the period of 3 months before the making of the application for revocation shall be disregarded unless preparations for the commencement or resumption began before the proprietor became aware that the application might be made.

Since the application to revoke was made by the plaintiff on 8 March 2006, the five-year period in which use of the mark must be examined is from 8 December 2000 to 8 December 2005 ("the relevant period"). Only evidence of use during this relevant period will constitute use for the purposes of opposing an application for revocation. This is undisputed between the parties.

The trade marks registered under Class 37 and 42

97 Mr Dedar Singh has candidly conceded that there is no evidence of the defendant's use of the 'WARMAN' mark in Class 37 and 42. The question that arises is whether the court nevertheless has the discretion to decline revoking these marks. Belinda Ang J held in *Reemtsma Cigarttenfabriken GmbH v Hugo Boss AG (No 2)* [2003] 4 SLR 155 that there is no such discretion. She was of the view that the word 'may' used in s 22(1) of the TMA empowered the court to revoke a registration on any of the grounds satisfied; it cannot make an order, if the requirements of s 22(1) are not satisfied. However, the fact that the word 'may' is sometimes employed as an empowering term does not mean that it confers a discretion on the part of the court to maintain the 'mark', if the grounds for revocation have been satisfied. Ang J succinctly explained at pp 162-163, [30]:

In my view, the court (or Registrar) does not have a discretion under s 22 to maintain a mark on the register when grounds for revocation have been established, whether in relation to all, or some, of the goods for which it is registered. Once the requirements are satisfied, the court (or Registrar) is obliged to exercise the power one way. Whether the subsection is proved or not is a question of judgment not discretion. As Neuberger J in [*Premier Brands UK Ltd v Typhoon Europe Ltd* [2000] FSR 767] said at 811:

[I]t does seem to me somewhat odd if the legislature has specifically provided for no revocation in the event of there being good reason for the non-use, but nonetheless has left the Court with a residual discretion, particularly without giving any indication as to what factors should be taken into account when exercising that discretion.

She then added at p 163, [34], that since the function of a trade mark was to give a proprietor a monopoly when his trade mark is used, there cannot be any discretion to sanction the retention of the mark once the grounds are established. If such mark has not been used or if there was no genuine intention to use it, it must be revoked.

98 I agree with Ang J that the statutory directive to rescind a trade mark if and when the requirements stipulated by s 22(1) are satisfied is not discretionary. Indeed, as the purpose of trade mark registration is to ensure an accurate record of trade marks to serve, *inter alia*, as notice to rival traders that the registered mark is in use, any lack of *bona fide* use or intention to use evidenced by non-use during the relevant period must necessarily result in the removal of that trade mark from the register. Since non-use has been established in the present case with respect to Class 37 and 42, there is no discretion to allow the 'WARMAN' mark registered by the defendant to remain on the register for these categories. Accordingly, I revoke the defendant's registration of the 'WARMAN' mark under Class 37 and 42. The true dispute in relation to the revocation of the Trade Marks is therefore really a very narrow one, pertaining only to the trade mark registered in Class 7.

Genuine use

99 I turn now to examine whether the use by the defendant of the 'WARMAN' mark in respect of Class 7 goods (see [24]-[30] *supra*) constitutes genuine use that would suffice to prevent the revocation of the mark under s 22(1) of the TMA. It must be noted at the outset that this requirement of 'genuine use' is closely intertwined with the function of a trade mark and the purpose of registration (see [39] to [44] *supra*). A trade mark serves to indicate the source of the goods to which it is affixed and registration facilitates and protects this function of the trade mark. There must be genuine use of the trade mark before its function is served and protection by registration is justified. Further, as the register also serves as a notice to rival traders of trade marks that were already in use, to allow a mark that is not *bona fide* in use to remain on the register would be deceptive and could permit the registered proprietor to unfairly hijack or usurp a mark and/or monopolise it to the exclusion of other legitimate users. These considerations underpinning the need for 'genuine use' of a registered trade mark must be borne in mind when assessing an application for revocation.

100 The European Court of Justice in *Ansul BV v Ajax Brandbeveiliging BV* [2003] RPC 717, determined that use does not have to be quantitatively significant to be genuine, provided it is sufficient to create or maintain market share in the goods or services concerned. This is to be distinguished from token use which is intended merely to preserve the validity of a trade mark or use which is internal to the proprietor (see also *Tan Tee Jim* ([48] *supra*)). Similarly, the English Court of Appeal held in *Laboratoires Goemar SA v La Mer Technology Inc* [2005] EWCA CIV 978 ("*Laboratoire de la Mer*") that 'genuine use' did not have to be substantial or significant, although the more limited the use of the mark in terms of the person or persons to whom it is communicated, the more doubts are raised as to whether the use is genuine as opposed to token. It noted at [48]:

... [T]he more limited the use of the mark in terms of the person or persons to whom it is communicated, the more doubtful any tribunal may be as to whether the use is genuine as opposed to token. However, once the mark is communicated to a third party in such a way as can be said to be "consistent with the essential function of a trademark"... it appears to me that genuine use... will be established.

101 Evidence of use of the 'WARMAN' mark by the defendant in relation to pump parts consists of three sales transactions, three e-mail enquiries from Singapore companies to the defendant regarding 'WARMAN' pump parts, as well as a fax sent by the defendant to a potential customer for pump parts:

see[25]-[27] *supra*. On the basis of what appears to be the settled view of the elements of 'genuine use', I am of the view that the adduced evidence of use, in particular, the three sales transactions made by the defendant in relation to pump parts, is indeed just barely sufficient to constitute 'genuine use' for the purposes of s 22(1) of the TMA. In adopting this view, I have found helpful the observations of Chao Hick Tin JA, made in the Court of Appeal decision in *Nike International Ltd v Campomar SL* [2006] 1 SLR 919 ("*Nike International*"). He had stated at p 924, [15]:

The essential standard of proof required to defeat a revocation application is to show a genuine use of the mark during the relevant five-year period. *One single use of the mark could satisfy the test* provided that overwhelmingly convincing proof of the act is adduced.

[emphasis added]

102 In *Nike International*, the purported use of the mark consisted of a single sale transaction. The Court of Appeal, however, in that case rejected that claim as 'genuine use' *only* because "*not a single piece of evidence*" from Singapore was produced and the court was not satisfied that the evidence that was adduced was 'overwhelmingly convincing'. The registered proprietor of the mark did not adduce any evidence of receipt of payment for the goods, nor were documents adduced in relation to the goods' arrival in Singapore. In contrast, in the present case, the sales transactions of 'WARMAN' pump parts were amply evidenced by documents showing, *inter alia*, the quotation, the purchase order, the shipping and documentation instructions, the arrangements for delivery of the goods to Singapore, the shipment bill showing a Singapore delivery address and the invoice. This appears to me to be 'overwhelmingly convincing proof of the act [of sales]'. As it cannot be seriously contended that the evidence of the sales is merely 'token' or purely engineered to preserve the validity of the 'WARMAN' mark in respect of pump parts, I determine that there is indeed genuine use of the mark by the defendant in relation to pump parts.

103 On the other hand, no sales were made in respect of 'WARMAN' marked pumps during the relevant period. The evidence of use adduced by the defendant merely demonstrated the "use" of the 'WARMAN' mark in a fax by the defendant to a potential customer regarding 'WARMAN' pumps, three e-mail enquiries to the defendant from Singapore companies enquiring about such pumps, and the meeting held on 12 November 2001 in Singapore with Hytrade, a Singapore business ("the Hytrade meeting"), discussing, *inter alia*, the supply of 'WARMAN' pumps as well as the promotion of 'WARMAN' pumps to the mining community and consultants in Singapore: see [28]-[30] *supra*.

104 It is, however, pertinent to note that it now seems fairly settled that genuine use can be established even if there is no evidence of actual sales being made. This has been declared to be the position by the English courts in both *ELLE Trade Marks* [1997] FSR 529 and *Floris Trade Mark* [2001] RPC 329 ("*Floris*"). In the former case, the court adopted the view that the offer for sale of cosmetics branded 'ELLE' in the United Kingdom through foreign editions of the plaintiff's magazine could qualify as genuine use for the purposes of the s 46 of the English Trade Marks Act 1994 (our equivalent of s 22(1) of the TMA), notwithstanding that there was no evidence of actual sales during the relevant period. This stance was reiterated in *Floris*, where the court stated at p 333:

Under reference to the case of *HERMES Trade Mark* [1982] R.P.C. 425 and the judgment of Lloyd J., the hearing officer's view was that just as under the old law, under the new law, *use could be established even if there was no evidence of actual sales being made during the relevant five-year period but where there was at least evidence that the mark had been used in respect of goods which were offered for sale during that period*. Once again I consider that this is a correct approach to the present law.

[emphasis added]

105 Given the congruence between the United Kingdom and Singapore statutory matrices on this particular issue as well as the persuasive logic of this approach, I am of the view that this is also the preferred approach to apply in Singapore. If this approach were to be applied to Singapore, it is clear that the fact that the defendant can adduce no evidence of sales of 'WARMAN' marked pumps is *per se* not an insurmountable obstacle to establishing genuine use for the purposes of s 22(1) of the TMA. The real issue then is really whether the evidence adduced is sufficient to establish such use.

106 In *800-Flowers Trade Mark* [2002] FSR 12 at 191, Jonathan Parker LJ discussed the offer of goods under a trade mark on an Internet website. He stated at p 220:

There is something inherently unrealistic in saying that A "uses" his mark in the United Kingdom when all that he does is to place the mark on the Internet, from a location outside the United Kingdom, and simply wait in the hope that someone from the United Kingdom will download it and thereby create use on the part of A.

He added further on the same page:

... [T]he very idea of "use" within a certain area would seem to require some active step in that area on the part of the user that goes beyond providing facilities that enable others to bring the mark into the area. Of course, if persons in the United Kingdom seek the mark on the Internet in response to direct encouragement or advertisement by the owner of the mark, the position may be different; but in such a case the advertisement or encouragement in itself is likely to suffice to establish the necessary use.

[emphasis added]

This succinct summary of the English position is persuasively logical and ought to be followed in Singapore.

107 I turn to the facts. The three e-mail enquiries received by the defendant from Singapore companies *pursuant to information on the defendant's Internet website* should be assessed in the light of the requirement for an 'active step' in Singapore. If the evidence of use adduced by the defendant consisted *only* of the e-mail enquiries, I would be quite reluctant to regard that as sufficient and genuine use for the purposes of s 22(1) of the TMA. As Jonathan Parker LJ stated, there must be some additional *active step* by the defendant in Singapore that goes beyond simply placing the offer of 'WARMAN' marked pumps on its Internet website and waiting in the hope that someone from Singapore will enquire about these pumps.

108 However, in the present case, the evidence adduced by the defendant also includes a fax written by the defendant and addressed to a Singapore company, offering the sale of various 'WARMAN' pumps, and a report of the Hytrade meeting. As such, there appears to be additional evidence of use that is likely to constitute that requisite 'active step' in Singapore proceeding beyond merely placing the 'WARMAN' mark with respect to pumps on the Internet and facilitating or inviting access and/or enquiries from parties in Singapore.

109 From the report on the Hytrade meeting, it seems that Hytrade may be a dealer or agent of pumps (as opposed to a consumer or end-user). In this respect, I refer to the decision in *Laboratoire de la Mer* (at [100] *supra*) where the court held that the use of the mark need not pertain to the ultimate consumers of the goods for such use to constitute 'genuine use'. Once the mark was

communicated to a third party in such a way as can be said to be 'consistent with the essential function of a trade mark' (ie, as a badge of origin), that would be 'genuine use' for the purposes of revocation: see [48] of the case, reproduced in [100] above. That case concerned a wholesale purchaser of goods bearing a particular trade mark and it was held that such a party will, at least on the face of it, be relying upon the mark as a badge of origin just as much as a consumer who purchases such goods from a wholesaler. Similarly, in the present case, it should not matter one iota whether Hytrade is a potential dealer or agent seeking the supply of 'WARMAN' pumps in Singapore. Hytrade would be relying upon the 'WARMAN' mark as a badge of origin when entering into the discussions to purchase the 'WARMAN' pumps and to promote 'WARMAN' pumps to various mining houses and consultants in Singapore. The communication relating to the 'WARMAN' mark on pumps during the Hytrade meeting is therefore consistent with the essential function of a trade mark and can constitute genuine use for the purposes of s 22(1) of the TMA.

110 Consequently, I find that there is indeed genuine use by the defendant of the 'WARMAN' mark in relation to both pumps and pump parts for the purposes of s 22(1) of the TMA.

Partial revocation

111 I must observe, however, that as within Class 7, the defendant is only able to adduce evidence of use in relation to pumps and pump parts. Class 7 involves, however, a wider range of goods, including milling equipment and valves (see [2](a) *supra*), for which the defendant has not shown any use of the 'WARMAN' mark. Section 22(6) of the TMA permits, indeed mandates, partial revocation of a registered trade mark in these circumstances:

Where grounds for revocation exist in respect of only some of the goods or services for which the trade mark is registered, revocation *shall* relate to those goods or services only.

[emphasis added]

112 The approach in the United Kingdom toward partial revocation is that it is open to the court (or Registrar) to require the specification of goods or services to be re-written in order to achieve the required degree of revocation, such that the court may 'dig deeper' into certain wider specifications and insert words of limitation into the specifications (see for example, *MINERVA Trade Mark* [2000] FSR 734; *Decon Laboratories Ltd v Fred Baker Scientific Ltd* [2001] RPC 293; *Thomson Holidays Ltd v Norwegian Cruise Line Ltd* [2003] RPC 586). Locally, in *Bluestar Exchange (Singapore) Pte Ltd v Teoh Keng Long (t/a Polykwan Trading Co)* [2003] 4 SLR 92 ("*Bluestar*"), Woo Bih Li J explained that the task of the court in partial revocation was to limit the specification so that it reflected the circumstances of the particular trade and the way that the public would perceive its use.

113 On the facts of the present case, I find that there should be revocation of the defendant's registration of the 'WARMAN' mark in Class 7 with respect to milling equipment and valves. I do not, however, find it necessary to insert any words of limitation to the remaining specifications namely, pumps and pump parts, in order to further confine the defendant's registration of the 'WARMAN' mark to the particular *types* of pump parts which the defendant was able to adduce evidence of use for, as suggested by the plaintiff. In *Bluestar*, Woo J quite correctly rejected the applicant's argument to confine the respondent's use of the trade mark in the category 'knitwear' to the specific categories of clothes for which the mark had in fact been used. He explained at p 108, [60]:

Having taken into account that the respondents had used the [registered trade mark] for various kinds of clothing which could also be described as knitwear, I was of the view that it was not in

the interest of the public or the trade to try and narrow the description of the clothing in the respondents' classification further to those specific categories for which the [registered trade mark] was in fact used. To do so would result in confusion and invite litigation.

I take a similar view of the present case. To narrow the specification of 'pump parts' into specific types of pumps for which the 'WARMAN' mark was in fact used by the defendant would be unnecessarily confusing and restrictive as well as not in the interest of the public or the trade.

Conclusion

114 On the basis of the Agreements, in particular the 1971 Agreement, I find that *both* the plaintiff and the defendant have concurrent implied contractual rights to register the 'WARMAN' trade mark in Non-Exclusive Territories, including Singapore. Since the defendant had an entitlement to register the 'WARMAN' mark in Singapore, its subsequent registration of the Trade Marks cannot be considered to fall short of the standards of acceptable commercial behaviour as expected by reasonable and experienced men of the trade. The registration of the Trade Marks cannot, also, be invalidated on the ground of fraud or misrepresentation. I therefore dismiss the plaintiff's application to invalidate the Trade Marks.

115 In so far as the issue of revocation is concerned, it is common ground that there is no evidence of use of the 'WARMAN' mark in Class 37 and 42. Since the court has plainly no discretion to refuse revocation of a mark once the requirements in s 22(1) of the TMA are fulfilled, I revoke the registered trade marks, T97/13163J and T96/05662G. For the trade mark T96/0566I registered under Class 7, I am of the view that the evidence of use by the defendant in relation to pumps and pump parts, while miserly, does just barely suffice to constitute genuine use during the relevant period. However, since the defendant has not tendered any evidence of use for the remaining specifications of goods in Class 7, namely, milling equipment and valves, I hereby partially revoke T96/0566I and rewrite its specification to read: "pumps; and parts and fittings for the aforesaid goods".

116 I will hear the parties separately on costs and any other consequential directions.

117 It only remains for me to thank both Mr Ravindran and Mr Dedar Singh for the admirable diligence they have so amply demonstrated in formulating and articulating their respective arguments as well as for the even-handed manner in which they presented and pressed their respective client's causes.

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