

Golden Season Pte Ltd and others

V

Kairos Singapore Holdings Pte Ltd and another

[2015] SGHC 38

High Court — Suit No 888 of 2012 George Wei JC 18-20, 24-27 September 2013; 31 March 2014

Tort — Defamation — Defamatory Statements — Fair Comment — Justification — Qualified Privilege— Malice — Malicious Falsehood — Damages

Tort — Passing Off

Copyright — Licenses

9 February 2015 Judgment reserved.

George Wei JC:

Introduction

1 Suit 888 of 2012 was started by the Writ of Summons filed on 16 October 2012, and involved a claim by the Plaintiffs against the Defendants for defamation and/or malicious falsehood, and a counterclaim by the Defendants against the Plaintiffs for copyright infringement and passing off.

2 After hearing the parties and considering their arguments, I find that the Plaintiffs’ action in defamation succeeds in part. The Defendants’ counterclaim for copyright infringement succeeds. The Defendants’ counterclaim for passing off fails.

The Facts

3 There were a large number of factual disputes and issues which the parties raised. After introducing the parties, I set out a brief summary of the events leading up to the dispute first, and only later discuss my specific findings and further details where relevant to the legal issues before the Court.

The Parties

4 Golden Season Pte Ltd (“the First Plaintiff” or “Golden Season”) is a company incorporated in 1982 specialising in military and humanitarian relief products. . . Designer.SG Pte Ltd (“the Second Plaintiff”) is a company specialising in contemporary home décor products. Ling Yen Wu (“the Third Plaintiff” or “Tedric”) is the sales director of the First Plaintiff and the design director of the Second Plaintiff (the plaintiffs collectively referred to as “the Plaintiffs”) . . .

5 Whilst Golden Season is in the business of providing (selling) military and humanitarian relief products to organisations including non-governmental organisations (“NGO”) such as Mercy Relief, it is also apparent that they are active in various charitable causes. . . Mercy Relief was not just a “customer” of Golden Season: it was also an NGO with whom Golden Season worked with on charitable causes connected with disaster relief. . .

6 Kairos Singapore Holdings Pte Ltd (“the First Defendant” or “Kairos”) was incorporated in July 2010 and provides inflatable boats, marine products and yacht charter services. . . Roy Soeigiarto (“the

Second Defendant” or “Roy”) is the director of the First Defendant (the defendants collectively referred to as “the Defendants”).

Events leading to the dispute

7 This dispute was set against the backdrop of the 2011 monsoon season which caused severe and prolonged flooding in Thailand. This resulted in an urgent need for rescue equipment including inflatable boats and related gear to assist the disaster relief effort.

The First Order and donation to Mercy Relief

8 On 12 October 2011, Tedric . . . expressing his interest to purchase inflatable boats and other suitable equipment for donation purposes in aid of the floods in Thailand. . .

9 . . . In any case, it is not disputed that the purpose of the boats. . . was made known to the Defendants . . . Tedric placed an order on 13 October 2011 . . . (“the First Order”). Golden Season paid S\$ 23,844 to Kairos for the first order. Along with the first order, Roy also donated two additional KB 430 boats, one used generator and two used chainsaws (“the Kairos Donated Items”).

10 There were two other purchases of boats from the Defendants. . .

11 The Kairos Donated Items were also passed on to Mercy Relief. Mercy Relief later acknowledged these donations in a letter dated 21 October 2011 addressed to Tedric and the First Plaintiff (“the Acknowledgement Letter”). It is not disputed that the Acknowledgement Letter was not made known to the Defendants until sometime later. As will be seen, this was the cause of much unhappiness.

12 The inflatable boats stocked and sold by Kairos were sourced from a Chinese Original Equipment Manufacturer (“OEM”) . . .

The meeting at the Plaintiffs’ office and the Exclusive Reseller Agreement

13 The parties continued to correspond with each other primarily through email. The contents of these emails generally entailed discussions of prices and features of the various boat models that the Defendants offered.

14 In the midst of such discussions, a meeting between the Plaintiffs and the Defendants was arranged . . . before 28 October 2011, the day a training session on how to operate the Kairos boats was held. . .

15 During this meeting, the Plaintiffs allege that they entered into an agreement with the Defendants, whereby the Plaintiffs would become the exclusive reseller of the Defendants’ boats, outboard motors and electrical pumps . . . (the “Exclusive Reseller Agreement”). It is also during this meeting that the Plaintiffs allege that the Defendants had given the Plaintiffs permission to use photos of the boats owned by the Defendants, and even allowed the Plaintiffs to remove the logo of the Defendants on such photos so that the Plaintiffs could market the goods as their own. Furthermore, the Plaintiffs also claim that the Defendants agreed to remove their prices from the Internet and not to publish their prices anymore.

16 Clearly, what was agreed upon during this meeting is an issue of dispute between the parties. This will be especially relevant for the purposes of the Defendants’ counterclaim in copyright infringement and passing off.

The Second and Third Order

17 Tedric later placed a second order on 27 October 2011. . . Finally, on 31 October 2011, Tedric made a final order. . . (“the Third Order”) . . .

18 Although the Plaintiffs eventually purchased a total of 28 boats from the Defendants, only 18 of these were donated to Mercy Relief as mentioned above . . . The Defendants claim that they were unaware of this, and were under the impression that all the boats would immediately be deployed in the Thailand floods.

. . .

25 It was during this period when the Plaintiffs started to distribute brochures to advertise the sales of “Golden Season” boats. According to the Defendants, the pictures used in these brochures are unauthorised reproductions of photos owned by the Defendants and contained photos of the Defendants’ boats with the Defendants’ logo removed. This forms the basis of the Defendants’ counterclaim in copyright infringement and passing off.

. . .

Issues before this court

The Defendants’ counterclaim for copyright

166 From November 2011 onwards, the Plaintiffs released public brochures and/or other printed matter bearing the Golden Season’s names (“the Modified Brochures”).

167 The Defendants assert that the Modified Brochures contained unauthorised reproductions of a number of works the Defendants claim copyright in. These works include:

No.	Description	Published
1	Brochure for KB 528XL entitled ‘Inflatable Sampan’ built for fishing, rescue, leisure and military use	11 Mar 2011
2	Picture for KB 528XK	12 Feb 2011
3	Brochure for “Electric Pump”	7 Sept 2011
4	Picture for KB 430	20 Jan 2011
5	Brochure for “Markara Engines”	21 Mar 2011

I refer to these collectively as “the copyrighted works”.

168 A copy of the copyrighted works and the infringing items were in the evidence before the Court. The following is a brief description of the main features of each copyright work:

(a) S/n 1 Brochure for KB 528XL entitled “Inflatable Sampan” built for fishing, rescue, leisure and military use – The Inflatable Sampan Brochure (printed on a single page) comprised, inter alia, a photograph of the inflatable boat bearing the Kairos brand, a representation of the Kairos Trade Mark. The textual information was largely concerned with the specifications of the boat: its dimensions, weight, seating capacity etc. The main heading was entitled “Inflatable Sampan built for Fishing, Rescue, Leisure & Military Use.” The Defendants contact details were set out at the bottom of the page.

(b) S/n 2 Picture for KB 528XL – The photograph of the inflatable sampan KB528XL was of the boat at sea with two seated individuals engaged in fishing. This photograph was set out also in the Inflatable Sampan Brochure referred to above.

(c) S/n 3 Brochure for “Electric Pump” – This comprised two photographs of the pump in use together with specifications and a brief description of what the pump could be used for by means of seven bullet points. The brochure also set out the Defendants contact details and displayed the Kairos Brand in a prominent position.

(d) S/n 4 Picture for KB 430 – This brochure (single page) bore another photograph of the inflatable boat under the description “Crossover between a Kayak and Boat!” The brochure set out the technical specifications as well as a brief description of the boat. There was also a photograph of an outboard motor branded “Makara” with the words that the Makara 2 stroke outboard engine was recommended. The Defendants contact details were set out at the bottom of the page with the Kairos Brand.

(e) S/n 5 Brochure for Makara Engine – These comprised enlarged photographs of the Makara branded outboard engines (of varying power) as well the specifications in a table form. The brochure included at the top the Makara Brand as well as the Kairos Brand.

Originality and authorship

169 I deal with a preliminary issue at the outset, which is whether the Defendants can claim to be the owner of the copyright in the works. Two points arise. First, are the works original? Second, are the Defendants the copyright owners?

170 According to the Defendants, the photographs listed at S/n 2 and S/n 4 in the table above were taken by Roy himself. The brochures listed at S/n 1, S/n 3 and S/n 5 in the table above (collectively referred to as “the brochures”) were said to be designed by an employee of the Defendants known as Kushastha Tharusha Peiris (“Kusha”). On the other hand, the Plaintiffs argued that the Defendants had copied “word for word” some of the specifications of their boats from another company in the USA, Saturn Inflatables.

171 The Plaintiffs tendered samples of the marketing material of Saturn Inflatables to demonstrate the similarities with the copyright works. Some similarities alluded to include:

(a) **Between the Defendants’ brochure for KB 437 Crossover between Kayak and Boat and Saturn Inflatables’ and Saturn Inflatable SK 430 webpage** – the exact wording of the phrases “wide beam hull design for stability. You can stand in a “KaBoat”, “Front Spray Skirt with water deflector guard and rope lacing”, “Marine grade plywood transom with a one way drain plug” and “Included: hand pump, repair kit, 2 oars and carry bag”.

(b) **Between S/n 1 brochure for KB 528 XL and Saturn Inflatables’ SK487XL webpage** – the technical specifications are the same and the exact use of the wording of the phrase “Included: hand pump, repair kit, 2 oars and carry bag”.

(c) **Between S/n 3 and Saturn Inflatables’ Electrical Pump webpage** – a list of other products which the electrical pump would be perfect for, with some minor adjustments, as well as the specifications of the product.

172 For completeness, I would add that the Plaintiffs did not appear to contest the originality of the photographs ... thereby accepting that the Defendants had indeed taken the photographs. In any case, a perusal of the marketing material of Saturn Inflatables does not show similar photographs. Furthermore, I also note that the Plaintiffs did not seem to adduce any evidence that showed that the

S/n 5 had been copied. Indeed whilst the evidence could have been clearer, the Defendants' case was that Roy had instructed his employee to produce the brochure.

173 According to the Plaintiffs, these similarities should be taken into account in considering the Defendants' claim in copyright infringement. The point behind this assertion may have been to challenge whether the brochures were original works in which copyright could subsist in the first place (although this was not clear from the pleadings). I pause here to add that the similarities might also be relevant in determining whether the Plaintiffs had copied a substantial part of the Defendants' copyright works if these were indeed found to be original.

174 To the extent that the Plaintiffs are challenging originality, I do not find merit in the Plaintiffs' argument. Whilst the Plaintiffs assert that the specifications and text material set out in the Defendants brochures' were substantially the same and copied from Saturn Inflatables, I am satisfied that the Defendants' brochures are, as a whole, original works in which copyright subsists. It is important to note that it is each brochure as a whole that the Defendants assert copyright in. The question is whether each brochure as a whole is an original literary work. The fact that some parts may be copied from elsewhere does not mean that the work as a whole lacks originality for copyright purposes.

175 During cross-examination, Roy . . . testified that all he had done was to instruct his employee Kusha to design the brochure using his original photographs – he did not tell Kusha to copy anything. Whilst this may be so, this does not necessarily mean that any copyright in the copied Saturn Inflatables material was not infringed. I say no more on this since there is no claim by Saturn Inflatables for infringement and there is no need for me to pronounce on this.

176 Kusha was not called to give evidence. I also note that whilst the specifications were largely similar to those in the Saturn Inflatables material (where they were also listed in a Table), Roy had explained (during cross-examination) that the specifications were also available from his supplier Rongcheng. The point behind this appears to be that the similarities in the specifications did not necessarily mean that the Defendants had copied the information from Saturn Inflatables. Nevertheless, given the exact phrases used (as set out above), the Plaintiffs' position is that the Defendants must have copied some of the information and specifications from Saturn Inflatables' material.

177 The difficulty for the Plaintiffs, however, is that even if this was the position, it does not follow that the Defendants' brochures were lacking in originality as a whole. Whilst this information (the specifications) was available on a webpage for Saturn Inflatables, the information in the Defendants' works was presented in the form of brochures. Although the specifications might be the same, the brochures were clearly designed to promote information to consumers in a different way ... Comparing the two, I am more than satisfied that while some information is the same, it is clearly being promoted and presented in a different way.

178 The evidence was that the photographs were taken by the Defendants and the Defendants' brochures were designed (in terms of the organisation and presentation of the information) by the Defendants. While the brochures as a whole may have been simple, simplicity per se does not prevent a work from acquiring copyright. All that is needed is that the author created it and has not slavishly copied it from another (see *Auvi Pte Ltd v Seah Siew Tee* [1991] 2 SLR(R) 786). For completeness, I also accept the Defendants' claim that the individual photographs are original artistic works in their own right.

179 For this reason, I am satisfied that the Defendants' photographs and brochures were original works in which copyright subsisted. The works were produced by the Second Defendant and an employee (Kusha) who was acting in the course of his employment.

Infringement by the Plaintiffs

180 In order for the Defendants to succeed on the counterclaim for copyright infringement, it is necessary to demonstrate that the Plaintiffs had indeed reproduced a substantial part of the copyright work without the licence of the copyright owner. This is a two-stage inquiry. Did the Plaintiffs copy from the copyright works? If so, was the material copied a substantial part of the copyright work?

181 Turning to the question of copying, it is well established that what is required is sufficient proof of a causal connection between the copyright works and the alleged infringements. The question as to whether the alleged copyist was consciously aware of the connection is irrelevant. In the absence of an admission of copying, the beginning of proof normally lies in establishing similarity together with proof of access (opportunity to copy) (see *LB Plastics Ltd v Swish Products Ltd* [1979] RPC 551 at 619 and *Creative Technology Ltd v Aztech Systems Pte Ltd* [1997] 1 SLR 621 at 634).

182 In this case, it is clear that there are many significant points of similarity between the copyright works and the Modified Brochures ... Indeed, not only are these brochures almost the same in terms of informational content and arrangement it is to be noted that the Plaintiffs' brochure sets out an almost identical reproduction of the Defendants' photograph of KB 430 (S/n 4).

183 Similarly, a comparison between the Plaintiffs' brochure for the 6-8 man inflatable boat shows a strong resemblance to the Defendants' brochure for the KB 528XL (S/n 1). Even though there are some differences in terms of the branding and addresses it is noted that the details are the same. The photograph depicted in the Plaintiffs' brochure is also very similar to the Defendants' photograph of KB 528XL (S/n 2).

184 Turning to the brochures for the electric pumps, however, I do not think that the brochures used by the Plaintiffs and the Defendants (S/n 3) are materially the same. The photographs used are different, and while the brochure for the Plaintiffs promotes the "Key Features" of the electrical pump, S/n 3 instead promotes the "Perfect product[s]" which the electrical pump can be used together with.

185 Finally, in the case of the brochure for the Makara engines "10 HP" (the Defendants' brochure being S/n 5), there is also strong similarity between the text as well as the depicted photograph of the engine.

186 From the above, it is clear that a number of the Modified Brochures clearly made use of the pictures of the Defendants' boats. . .

187 Looking at the evidence as a whole, I am satisfied that the Plaintiffs had indeed copied from the Defendants' brochures and photographs. The question that remains is whether the taking was substantial such as to amount to infringement.

188 In deciding this, the Court notes the well-established principle that substantiality is generally determined on a qualitative basis. Copyright is concerned with protecting original expression and not basic facts. Further, what is in issue is whether what has been copied is a substantial part of the copyright work (as opposed to the infringing work). In determining this, the Court is entitled to bear in mind the relative simplicity of expression in the work. Copyright, after all, is about protecting original expression.

189 Although copyright subsists in the copyright works, the brochures basically set out the specifications of the products along with additional descriptions of some other features of the products and in some cases, addresses and contact details. It is apparent that in the case of the boats, much of the technical information was copied by the Defendants from Saturn Inflatables. That said, it would not be surprising if the products were generally from the same manufacturer or the same line of manufacturers that the specifications of the products would be largely similar. The copying of a part of a copyright work which is not original to the copyright work will not ordinarily be regarded as a substantial part of the copyright work. For this reason, if the question of infringement (substantiality) rested solely on the taking of the technical specifications of the boats, I doubt that a case of substantial taking would have been made out in the case of the brochures for the boats. The picture however changes, literally and metaphorically, when the photographs are taken into account. The Court has found that these were taken by Roy and were original artistic works in their own right. These photographs were clearly taken and used by the Plaintiffs. Accordingly, I find (leaving aside the question of licence) that a case of infringement has been made out in respect of the photographs for KB 430 and KB 528 XL.

190 In the case of the brochures for the Makara engine (S/n 5), it is noted that there is no evidence that the specifications and their arrangement in simple table form and the photographs were copied by the Defendants from elsewhere. That being so, I find on the evidence before me that the material taken from these brochures amounted to a substantial part of these works. It will be recalled that Roy's evidence was that he had instructed Kusha to produce the brochures.

191 In the case of the brochures for the electric pump...I did not find that there was any similarity between the brochure of the Plaintiffs and that of the Defendants. I, therefore, find that there was no copying of the brochures for the electric pump.

192 The main defence the Plaintiffs raise is to be found in their assertion that there was a verbal reseller agreement...between them and the Defendants, where it was agreed that the Plaintiffs could develop brochures of Kairos' products without their logo.

193 Copyright infringement only arises where the act of reproduction is done without the licence of the copyright owner. The issue that needs to be addressed is whether there was in fact a verbal reseller agreement and if so whether permission (to use the copyrighted works) was granted by the Defendants as part of this agreement. The legal burden of establishing that the act of copying was done without the licence of the copyright falls on the shoulders of the copyright owner... To this end, oral evidence of the alleged agreement was led by the Plaintiffs. Whether or not this was in response to an evidential burden or otherwise, I am not satisfied that there was an oral reseller agreement as alleged or that, if there was, a licence to copy had been granted.

194 As briefly described above, according to the Plaintiffs, the verbal reseller agreement was reached at a meeting between the Plaintiffs and the Defendants. . .

195 Apart from the bare assertions made by the Plaintiffs, the only evidence that supports the Plaintiffs' case is these emails. . .

196 It might also be true that the Defendants had, to some extent, indicated their willingness to work with the Plaintiffs and to develop a formal reseller arrangement (exclusive or otherwise). . . Given that this was an agreement between two corporate entities conducted by two businessmen, both having some experience in the business world, it would only be reasonable to expect some documentary proof. . . There, however, remains none of this.

...

198 I, therefore, find that the use and copying of the copyright works as discussed above were without the licence of the Defendant copyright owner and that the Defendants' counterclaim in copyright infringement succeeds save in the case of the brochure for the pumps.

199 For purposes of completeness, and by way of passing comment, this would also mean that the Defendants can rely on the defence of justification in so far as the defamatory statements relate to the Plaintiffs infringing on their copyrights.

The Defendants' counterclaim in trademark infringement

...

201 It is noted that from the pleadings and submissions, it is not entirely clear exactly what the Defendants are asserting in respect of passing off. . .

202 Nevertheless, it appears that the Defendants' counterclaim is founded on the assertion that the Plaintiffs were "misrepresenting to the public that the Kairos boats were in fact Golden Season boats." . . .

203 As an observation, I note that the Defendants' pleadings (and submissions) rely only on the common law tort of passing off – there is no mention of or reliance on the Trade Marks Act (Cap 332, 2005 Rev Ed). The subsequent analysis therefore proceeds solely in respect of an action in passing off.

204 After considering the arguments of the parties, I find that the Plaintiffs are not liable for passing off.

The law

205 It is trite that in order to succeed in an action under the tort of passing off, a plaintiff must establish the "classical trinity" of goodwill, misrepresentation and damage (see *Novelty Pte Ltd v Amanresorts Ltd and another* [2009] 3 SLR(R) 216 ("*Amanresorts*") at [37]). Passing off in its classic form occurs when one trader represents his goods to be those of another trader. . .

206 In this case, however, it appears that the Defendants do not claim that the Plaintiffs have represented the Plaintiffs' goods as those of the Defendants. It is, in fact, the converse – the Defendants claim that the Plaintiffs are representing the Defendants' goods as those of the Plaintiffs. This is, therefore, not a classic case of passing off, but instead, a case of "inverse passing off".

207 There have not been many cases on inverse passing off in Singapore, though the doctrine is clearly part of our law, as affirmed by the Singapore Court of Appeal in *Tessensohn Denyse Bernadette (trading as Clea Professional Image Consultants) v John Robert Powers School Inc and others* [1994] 3 SLR 308 ("*John Robert Powers School*").

208 To this end, I start with the observation that while "inverse passing off is not a nominate tort in its own right but is an example of an actionable misrepresentation to which the normal principles of passing off apply" (see *QB Net Co Ltd v Earnson Management (S) Pte Ltd and others* [2007] 1 SLR(R) 1 at [16]), the boundaries and scope of inverse passing off are not as well developed as classic passing off.

209 I begin with the decision of the Court of Appeal in *John Robert Powers School*, which affirmed the doctrine of inverse passing off. At [25], the Court of Appeal held that:

It is clear to us that not only is it passing-off to misrepresent that one's goods or services were those of another, but it is also passing-off to misrepresent the inverse: that another person's goods or services are one's own. The three essential elements of passing off equally apply to such passing-off as well. Therefore, to succeed in an action for inverse passing-off, a plaintiff must prove that there is goodwill attached to their goods or services; that the defendants misrepresented themselves as the commercial source of the goods or services in question; and that the plaintiff's goodwill was damaged as a consequence. . .

...

217 ... In the present case if, as we hold to be the case, the plaintiff was entitled to his copyright in 'The New Car', [his sketch] he was, by virtue of the Copyright Act, entitled to the sole right of producing the sketch in film form. That was an item of his property, and how it can be said that these advertisements might not cause irreparable damage to that property of the plaintiff passes my comprehension.

What is clear is that . . . even though the facts did not fall squarely within a classic case of passing off, the defendant was liable.

218 I turn next to the case of *Plomien Fuel Economiser Co Ltd v National School of Salesmanship Ltd* (1943) 60 RPC 209 ("*Plomein*"), which is another decision of the English Court of Appeal. . .

219 The Court of Appeal, likewise, found the defendants liable for passing off. It was argued there that no confusion had arisen. The fact being that none of the customers who purchased the goods from the defendants knew the plaintiffs. . .

220 As can be seen, the reasoning employed in *Plomein* is not far removed from that of Lawrence LJ in *Samuelson* – at the end of the day, the consumer on the particular facts is made to believe that the product he purchases is from a particular source (ie, the plaintiff), when in fact it came from the defendant. To that end, this still fits within the classic conception of the tort of passing off, as the consumer is still misled to believe that the defendant's goods are those of the plaintiff (the particular source the consumer had in mind). It does not matter if the consumer does not know the actual identity of the plaintiff.

...

223 In coming to this view, I agree with the comment by the learned authors of David Kitchin et al, *Kerly's Law of Trade Marks and Trade Names* (Sweet & Maxwell, 15th Ed, 2011) ("*Kerly's*") at para 18-132 that the reason why liability was found was because customers were deceived into believing that the defendant was the company that produced the conservatory depicted in the photographs.

224 The important point, as the learned authors of Kerly's stress at para 18-132, is that the tort of passing off is not a tort providing a remedy in all cases of deception. Passing off is not about deceptive statements in vacuo. Neither is passing off a tort that covers product mis-description per se. The learned authors quite rightly stress that there must be an actionable misrepresentation which harms the claimant's goodwill in a name or get-up. Mere appropriation is insufficient.

225 I return to the decision in *John Robert Powers School*. Comparing the cases discussed above and the situation in *John Robert Powers School*, the High Court observed that the only difference between the two was that in the former, the misappropriation was done in the course of advertisement whereas in the latter, the misappropriation was done in the course of the trade itself. It was reasoned that that should make no difference to the plaintiffs' entitlement to a remedy. This was accepted by

the Court of Appeal, who affirmed that a defendant can be liable for “inverse passing off” and that the trinity of goodwill, misrepresentation and confusion still applied. What is meant by “confusion” is that the consumer is deceived as to the trade origin of the products.

226 As a result of the decision in *John Robert Powers School*, whatever view is taken of the facts of the case, a defendant, in Singapore, can be liable when he passes off the goods of someone else as his own under what is known as “inverse passing off”. I would further observe that given the discussion in the paragraph above, there is clearly room to develop this concept in Singapore law. Given the relative lack of case authority on inverse passing off, a few observations on the rationale for inverse passing off may be helpful before turning to an application to the facts at hand.

The policy reasons of passing off and the goodwill

227 At first blush, it is perhaps understandable if the concept of inverse passing off...is regarded as not sitting nicely within the framework and policy reasons justifying the existence of the law of passing off. As observed by the author in Ng-Loy Wee Loon, *Law of Intellectual Property of Singapore* (Sweet & Maxwell Asia, Rev Ed, 2014) ("*Ng-Loy on IP Law*") at para 18.1.15:

Given that there was nothing in the defendant’s course notes which expressly referred to the plaintiff, it is difficult to see how there could be passing off in the sense that the students would connect the defendant’s school with the plaintiff (albeit in the reverse way). Where is the confusion when the defendant shows a customer the plaintiff’s product as an example of his (the defendant’s) work when the customer who buys from the defendant knows he is buying from the defendant? Strictly speaking, reverse passing off just does not fit nicely within the boundaries of passing off.

The author, however, goes on (also at para 18.1.15) to provide a possible way of interpreting the decision:

One way of understanding this concept of inverse or reverse passing off is to recognise that it is really an extension of the classic form of passing off to prevent what the court sees as free riding. This analysis of inverse passing off is offered by Prof Gerald Dworkin. In his study comparing the ways in which different countries prevent unfair competition, he found that in common law countries where there is no general tort of unfair competition, the courts cope to a large extent by expanding the action for passing off. The High Court’s judgment in *John Robert Powers* case certainly contains suggestions that would support Prof Dworkin’s analysis. In finding for the plaintiff, the court used terms such as the defendant ‘robbing’ the plaintiff’s goodwill, and how this goodwill was ‘misappropriated’ by the defendant to build her own reputation.

228 That said, Hazel Carty in *An Analysis of the Economic Torts*, (Oxford University Press, 2nd Ed, 2010) comments at p 290 that cases such as Bristol Conservatories are best seen as examples falling within the classic trinity. Goodwill lies at the heart of the classic trinity. In cases of true inverse passing off, the allegation (or misrepresentation) is that a quality misrepresentation has taken place resulting in damage to goodwill. Whilst there is merit in this view (that inverse passing off derives from and is consistent with the classic trinity), it should be noted that a loose application of the elements runs the risk of turning the tort into misappropriation simpliciter: a tort based on some broad notion of unfairness. For this reason, it is important to apply the elements (goodwill, misrepresentation and likelihood of deception) with care. Whether the common law in Singapore should go further and develop a true tort of unfair competition is not a matter which must be decided in the case at hand.

The development of a general tort of misappropriation or unfair competition involves broad-based policy concerns involving aspects of intellectual property law as well as competition law.

229 Moving on, I note that the tort of passing off exists primarily to protect the interest of a trader in his trade mark and indicia of origin. By doing this, consumer interests are also safeguarded. . .

230 One can see how these justifications are addressed in the case of *Bristol Conservatories, Samuelson and Plomein*. From the perspective of the consumer, a mistake is made as to the attributes . . . of the product . . . that he is acquiring from the defendant. The consumer is induced to believe that the defendant is also the manufacturer of or associated with certain similar products or services which enjoy goodwill in the market place. The consumer is, thereby, induced to acquire the defendant's goods or services in the belief that the defendant's goods or services enjoy or share that same goodwill when in fact the goodwill in those other goods or services belongs to a third party (the plaintiff). The fact that the consumer does not know of the third party is irrelevant.

. . .

232 It follows that notwithstanding the recognition of inverse passing off, the core interest protected is still goodwill...

233 In a classic case of passing off, the goodwill in a business is connected with the trade mark of (an indicator of origin) the plaintiff. In deciding whether the element of goodwill is present, the court generally looks at whether the plaintiff's trade mark has acquired a reputation. As accepted in *The Singapore Professional Golfers' Association v Chen Eng Waye and others* [2013] 2 SLR 495 ("SPGA"):

Goodwill has been described as "the attractive force which brings in custom": *The Commissioners of Inland Revenue v Muller & Co's Margarine, Limited* [1901] AC 217 at 224. It connotes the magnetic quality of the product and its association with the claimant such that customers return and patronise the same business, or purchase the same product or other products from the same brand: *Bently & Sherman* ([16] supra) at p 729. The goodwill in question is the integral feature of the relationship between a trader and his customers that the tort of passing off seeks to protect. The action for passing off is not directly concerned with the protection of a mark, logo or get-up of a business. That is more the province of the law of trade marks. Rather, passing off is concerned with protecting the goodwill between a trader and his customers: *CDL Hotels* ([12] supra) at [45].

234 In the classic case of passing off, the goodwill is associated with the brand represented by the badge of origin. . .

235 In a case of inverse passing off, the defendant is essentially trying to ride on the reputation (goodwill) of the plaintiff so as to market his own goods or services.

. . .

240 To be sure, the tort of passing off has not yet been developed in Singapore into a general tort of unfair competition. Not all instances of "unfair trading" constitute passing off or indeed any tort. Nevertheless, within the established principles of passing off – the protection of goodwill in a "trade mark" from misrepresentations likely to cause damage, the general policy of providing a level playing field has proven helpful in developing the tort. In this way, classic passing off has expanded over the years to cover misrepresentations as to the quality of the plaintiff's product (selling second hand goods or discontinued models as if they were new or current for example) as well as to cover cases of shared goodwill. Inverse passing off is best seen as part of the evolutionary and principled development of the tort.

Application of the law

241 The test for goodwill, the requirement of business aside, focuses on the public's awareness of the plaintiff's mark and association of the mark with the goods or services as an indicator of origin. Proof that the trade mark has acquired a reputation can come in the form of evidence showing sales volume, and/or the extent and amount of advertisement and media coverage of the business conducted under that mark (see *Ng-Loy on IP Law* at para 17.2.2). As stated by the High Court in *Doctor's Associates Inc v Lim Eng Wah* (trading as *SUBWAY NICHE*) [2012] 3 SLR 193 ("*Subway Niche*") at [21] and accepted by the Court of Appeal in *Hai Tong Co (Pte) Ltd v Ventree Singapore Pte Ltd and another and another appeal* [2013] 2 SLR 941 at [34], example of factors that should be taken into consideration include:

- (a) the market share held by the registered mark;
- (b) the nature of its use (whether or not it was intensive, widespread and long-standing);
- (c) the amount invested in promoting the mark;
- (d) the proportion of the relevant class of individuals who identified goods sold under the mark as emanating from a particular source; and
- (e) any statements from trade associations and chambers.

242 The First Defendant is a company established in 2010 (although its name was later changed on 25 January 2012). I accept that on the evidence the name "Kairos" is not a descriptive name insofar as it does not describe boats. I also accept that the Defendants have used the trade name Kairos in relation to the boats together with the term "inflatable sampan". Whilst inflatable sampan is to a degree descriptive, the Defendants have asserted that the term "inflatable sampan" is also distinctive of Kairos and that they have spent substantial efforts in promoting Kairos boats on the internet and through brochures. Furthermore, it is also asserted that Kairos Boats are "supplied to, among others, NGOs, disaster units, rescue teams, Government contractors, yacht charter operators and private yacht owners in Singapore as well as in the region". Whilst there is little evidence supporting the claim for widespread sales, I note that there are a number of brochures promoting the Defendants and their products. Even if there is insufficient evidence to support the assertion of goodwill in the term "inflatable sampan", I am satisfied that the Defendants have acquired a reputation under the Kairos brand such as to generate goodwill.

243 This does not mean, however, that the counterclaim for inverse passing off succeeds. To do so, it is necessary to establish that the Plaintiffs, by inclusion of photographs of Kairos boats and informational material into its modified brochures etc, is responsible for a misrepresentation that is likely to damage the goodwill ... The position is the same in respect of the use by the Plaintiffs of photographs of the Kairos boats in operation in Thailand in its communications with SRC. Damage, in this sense, broadly means appropriating the reputation of the Defendants for products of a certain quality.

...

245 In the present case, it is clear that the Defendants are not the manufacturers of the boats in question. . . The boats ... were sourced from the same Chinese manufacturer . . . Whilst there was suggestion that the Defendants asked for some modifications, the evidence on this was thin. No witness from the Chinese manufacturer gave evidence. Further whilst the Plaintiffs may have used photographs of Kairos boats in use during the Thai floods in some communications, it is to be borne in mind that aside from the two donated Kairos boats, Golden Season had indeed purchased (albeit at an alleged discount) Kairos boats for use in the Thai floods.

246 On the evidence before me (including the brochures produced by the Plaintiffs), I am not satisfied that the Plaintiffs had thereby represented that they were Kairos or that they were passing themselves off as being Kairos such as to damage the Kairos goodwill. Inverse passing off is predicated on harm to goodwill arising from a misrepresentation. In deciding whether a case has been made out the Court must examine the strength of the goodwill and reputation, the nature of the goods and the extent to which any indicia of origin is actually used in determining whether there is a misrepresentation to the ordinary consumer (not moron shopping in a hurry) such as to harm the goodwill. In the present case, is it likely that customers for the inflatable boats will be deceived into thinking that when they buy such a boat from the Plaintiffs, they are getting boats from the Defendants? Looking at the evidence as a whole, I am not satisfied that the Defendants have established a case of inverse passing off.

Conclusion

...

249 The Defendants' counterclaim in copyright infringement (save for the pump brochure) succeeds, and the Plaintiffs are to surrender or to file and serve an affidavit affirming the destruction of the Modified Brochures within [ten] days from the date of my decision.

250 Damages to be awarded to the Defendants for copyright infringement are to be assessed.

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