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IN THE JUDICIAL COMMITTEE  
OF THE PRIVY COUNCIL

NO. 11 OF 1974

O N A P P E A L

FROM THE COURT OF APPEAL (CIVIL SIDE) OF SINGAPORE

B E T W E E N :

STAR INDUSTRIAL COMPANY LIMITED

Appellants  
(Plaintiffs)

- and -

YAP KWEE KOR trading as  
NEW STAR INDUSTRIAL COMPANY

Respondent  
(Defendant)

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CASE FOR THE APPELLANTS

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(T.5905/JWR/18)

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CASE FOR THE APPELLANTS

1. This Appeal is brought by leave of the Court	p.147 1.28-
of Appeal of Singapore. The Court of Appeal of	p.148 1.11
Singapore delivered a judgment on 25th March 1974	p.148 1.13-
dismissing an appeal by the Appellants (the	p.152 1.8
Plaintiffs in the action) from a judgment of the	p.143 11.26-37
Honourable Choor Singh, J. dated 19th April 1973.	p.132 1.16-
By the said judgment, which was in substance	p.143 1.24
confirmed on Appeal, the learned Judge dismissed	
the Plaintiffs' action for an injunction to	
restrain the Defendants from passing off.	

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2. The facts in relation to these proceedings, as to which the extent of dispute between the parties is minimal, can be summarised as follows:

(a) In 1953 one J. H. Leung commenced the	p.132 11.22-32
manufacture in Hong Kong of toothbrushes	p.148 1.31-
	p.149 1.3

which were packed in a box of distinctive get up, which get up included as a prominent feature the brand name ACE.

p.132 11.32-36

(b) Substantial quantities of these brushes were imported into Singapore over the period 1953 until 1965 when importation ceased to be economic.

p.133 11.24-30

p.149 11.3-7 &

11.29-36

p.132 11.32-36

(c) Although a large proportion of the toothbrushes imported into Singapore were re-exported there were substantial sales in Singapore, and substantial advertising in Singapore.

p.149 11.5-7

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p.132 11.22-24

(d) From 1953 until 1961 the said Leung carried out his manufacture in Hong Kong through a business styled Star Brush Manufacturing Company of which he was the sole proprietor.

p.148 11.31-34

p.132 1.39-

(e) In May 1961 the Appellant Company was incorporated in Hong Kong under the name Star Industrial Company Limited. It took over the whole of the business activities formerly carried out by Star Brush Manufacturing Company WHICH CEASED TO TRADE.

p.133 1.5

p.149 11.8-16

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p.149 11.16-18

(f) There was no DOCUMENT of assignment of the goodwill previously

owned by Star Brush Manufacturing Company to the Appellants.

(g) From 1961 to 1965 the Appellants continued the business which had previously been carried on by Star Brush Manufacturing Company, by selling in Singapore toothbrushes got up in every respect identical with those previously sold in Singapore by Star Brush Manufacturing Company, and it continued to use the name Star Brush Manufacturing Company as a business name on the boxes of its toothbrushes.

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p.149 11.18-21

(h) In October 1965 the Government of Singapore imposed a tariff which made it commercially unattractive to continue the importation of toothbrushes made in Hong Kong into Singapore, and the Appellants therefore stopped exporting toothbrushes to Singapore.

p.133 11.24-30

p.149 11.29-36

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(i) In 1968 the Respondent, who had previously traded in toothbrushes as Yap Trading Company, changed the name of his business to New Star Industrial Company, and started to manufacture toothbrushes which he distributed in a packing identical

p.134 11.12-16

p.150 11.1-9

in almost every single detail to the get up previously used by the Appellants save only that the single letter "C" in the word "ACE" was replaced by the letter "G" thus forming the word "AGE". In Singapore the majority of the population do not read English. No credible explanation was given by the Respondent when he appeared as a witness as to why his toothbrush packages reproduced in almost every detail the get up previously used by the Appellants, nor why his trading style had been changed from Yap Trading Company (which is dissimilar to Star Industrial Co. Ltd.) to New Star Industrial Company, which name is very readily confusable with Star Industrial Company Limited.

(j) In 1969 an associated company of the Appellants called Star Plastics Industrial Company (Pte) Ltd was set up in Singapore with a view to exploiting the goodwill of the Appellants in Singapore. The Appellants supplied

p.88 1.10-

p.98 1.25

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p.133 1.31-

p.134 1.1

p.149 11.37-42

p.150 11.10-12

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the said associated company with moulds for the manufacture of toothbrushes, technical information, and technically qualified staff to enable the said associated company to manufacture and sell toothbrushes in Singapore identical in all respects with those previously imported from Hong Kong.

(k) In February 1971 the Appellants brought their action in Singapore Suit No. 102 of 1971 against the Respondent claiming an injunction to restrain passing off and ancilliary relief.

p.37 1.1-  
p.42 1.11

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3. In coming to its erroneous conclusion adverse to the Appellants the Court of Appeal of Singapore took into account the following facts which are wholly IRRELEVANT to the issues in the action.

p.148 1.13-  
p.152 1.8

(i) That in 1963 Leung obtained a Hong Kong trade mark registration of the mark "ACE".

p.149 11.22-28

(ii) That in 1968 Leung assigned that Hong Kong registered trade mark to the Appellants.

p.149 11.43-45

(iii) That the Respondent in 1968 secured the registration in Singapore as a trade mark of the word "AGE". The said registration was secured without the Registrar

p.150 11.7-9

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of Trade Marks in Singapore being aware of the substantial goodwill owned by the Appellants in the mark "ACE", and without the Registrar of Trade Marks being informed that the Respondent intended to use the mark for the purpose of deceiving the public in Singapore into believing that his tooth-brushes were the goods of the Plaintiffs.

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4. The Appellants will contend that it is immaterial to the outcome of the present case whether or not the Appellants owned trade marks in Hong Kong, in the United Kingdom, or in any other country whatsoever of the world, since the sole issue in relation to the action to restrain passing off was whether the Appellants owned a reputation in Singapore at the date of the writ in the pleaded get up. That the Defendant has reproduced the said get up by the production of a product which is strikingly similar is not disputable, and indeed the Singapore Court of Appeal so found. Accordingly, the existence or otherwise of

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p.150 11.4-6

trade marks in Hong Kong or anywhere else is completely irrelevant to the determination of the issue in this action.

5. In coming to its decision adverse to the Appellants the Court of Appeal of Singapore held:-

"It is also clear that any goodwill or proprietary right in Singapore that Leung, as such sole proprietor, had in toothbrushes bearing the ACE brand mark and get up was never assigned by Leung to the Appellants".

p.150 1.43-

p.151 1.2

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The Appellants will contend that in so holding the court fell into a fundamental error of law in ignoring the fact that Leung CEASED TRADING, and by that act, and by permitting the Appellants to trade in his stead, he effectively assigned to the Appellants whatever goodwill he had previously owned in whatever country that goodwill existed. The Appellants will submit that were this not so, every purchaser or acquirer of a small business would be unable to protect that business from passing off by competitors unless there had been a formal assignment of goodwill, whereas such a formal assignment is very rarely made. The Appellants will contend that the vendor or

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assignor of a business conveys the goodwill of the business to the assignee or purchaser by the very act of refraining from engaging in further business activities of a like kind to the business assigned. As the goodwill in the present case was assigned by Leung by his ceasing to trade, the judgment of the Court of Appeal of Singapore is founded on a fundamental fallacy.

p.151 11.16-32

6. The Court of Appeal of Singapore found in the alternative that because the Appellants had ceased selling their ACE brand toothbrushes in Singapore since 1965, they were disentitled to relief. In so finding the Court of Appeal ignored the facts:

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(i) that the said cessation was brought about solely and entirely by the act of the Government of Singapore in imposing a tariff barrier; which barrier could be removed at any time; and

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(ii) that the Appellants were indeed exploiting their goodwill to their advantage at the date of the Writ

by manufacturing and selling ACE brand toothbrushes through an associated company in Singapore over which the Appellants exercised substantial control, and from which they derived profit.

7. The Appellants respectfully submit that this Appeal should be allowed for the following, amongst other

#### REASONS

10 (1) BECAUSE the goodwill built up in Singapore by Star Brush Manufacturing Company between 1953 and 1961 was assigned to the Appellants in 1961.

(2) BECAUSE the Appellants expanded the goodwill assigned to them in 1961 and built up a further goodwill of their own between 1961 and 1965.

20 (3) BECAUSE at the date of the Writ the Appellants were the owners of goodwill in Singapore which goodwill was being wrongfully invaded by the Respondent by his acts of passing off.

(4) BECAUSE the Appellants at the date of the Writ had an existing asset in

Singapore in the form of their goodwill which the Court ought to protect to enable them to exploit the said goodwill in whatever manner is commercially possible in Singapore from time to time.

RAPH LUNZER

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