

No.2 of 1963.

O N APPEAL

IN THE PRIVY COUNCIL

FROM THE COURT OF APPEAL OF THE STATE OF SINGAPORE

BETWEEN

UNIVERSITY OF LONDON INSTITUTE OF ADVANCED LEGAL STUDIES 23 JUN 1965

25 RUSSELL SQUARE LONDON, W.C.I.

78695

WHITE HUDSON & CO. LIMITED (Plaintiffs) Appellants

- and -

ASIAN ORGANISATION LIMITED (Defendants) Respondents

CASE FOR THE RESPONDENTS

1. This is an Appeal in an action to restrain "passing off". The Hearing in the Court of first instance before the Honourable 10 Mr. Justice Tan Ah Tah took place on the 19th July, 30th and 31st August and 15th September 1960. The Judgment, which was reserved, was delivered on the 11th August 1961 in favour of the Plaintiffs (Appellants). The Appeal was heard on the 11th and 12th December 1961 before App. p.52 the Honourable Mr. Justice Buttrose, the 20 Honourable Mr. Justice Wee Chong Jin and the Honourable Mr. Justice Ambrose. Judgment in App. p.57 the Court of Appeal was delivered on the 19th January 1962 the Court of Appeal deciding by a majority, Mr. Justice Wee Chong Jin dissenting, in favour of the Defendants (Respondents).

2. The Action relates to cough sweets. For a period of some eight years prior to the issue of the Writ the Appellants' cough sweets were on sale in the colony of Singapore under the Trade Mark "Hacks". The word "Hacks" is a Registered Trade Mark but the Action was based on an allegation in the Statement of Claim that the Appellants' sweets had through

extensive advertising and sales become well known to the trade and public and recognised by their particular size, shape and colouring and the fact that they were wrapped in an orange coloured The Trade Mark "Hacks" was prominently wrapper. used in the Appellants' advertising and appeared prominently on the wrappers used for the Appellants' sweets. The evidence of the principal witness called on behalf of the Appellants was that the object of the Appellants' advertising was to publicise the Trade Mark "Hacks". Specimens of the Appellants' advertising showing the word "Hacks" prominently used in English and of transliterations of this word in the Chinese advertising were exhibited in Evidence.

3. In March 1958 the Respondents started to import and sell in Singapore a cough sweet made by a Dutch company, Red Band Confectionery Works of Rosendaal, Holland, which the Respondents 20 advertised and offered for sale, under and in relation to a Trade Mark "Pecto". The Trade Mark "Pecto" appears prominently upon the cough sweets sold by the Respondents. The "Pecto" sweets sold by the Respondents were generally of the same size and shape as the Appellants' "Hacks" sweets. They were originally wrapped in a white wrapper but in May 1958 the wrapper was changed from white to red because it was found that sweating was taking place which showed through the white paper.

30 The evidence established that the Appellants' 4. sweets and the Respondents' sweets were imported in tins which were readily distinguishable in their appearance and labelling but that the sweets when distributed to the retailers were frequently sold by the retailers from glass jars or bottles.

5. It was never suggested by the Appellants that persons who could speak or read English could conceivably be confused or deceived as between the Appellants and the Respondents' sweets. Certain evidence was given however that apart from customers, said by the Appellants to be a small proportion of the trade, who asked for the Appellants' sweets by the Trade Mark "Hacks" or some near phonetic equivalent a substantial number of customers who could not speak English or were possibly wholly illiterate would come into shops and ask for "red paper cough sweets". Those retailers who gave evidence that such a form of order was used appeared to have accepted that the

App. pp.73,74 and 77

customer thereby meant to ask for "Hacks" brand. No evidence was given by any customer on this point and certainly no evidence was given by any customer that the use of a red paper wrapping would in itself be distinctive to them of a "Hacks" sweet and that this would be the case irrespective of any other matter which appeared on the wrapping. Two other cough sweets having red wrappers were produced by the Appellants. The Dance cough sweet (Exhibit P.3) appeared on the market in Singapore after the proceedings The Magikof cough sweet (Exhibit P.4.) started. was first on the market in the middle of 1958. It was then wrapped in a yellow wrapper in the form of Exhibit P.4A. There was a change to a red wrapper after this proceeding started. The Respondents put in evidence a number of sweets of various colours, including orange coloured sweets, wrapped in a variety of wrappers.

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20 6. In his Judgment on the question of reputation Mr. Justice Tan Ah Tah said "The Plaintiffs commenced to sell 'Hacks' sweets in 1953, five years before 'Pecto' sweets came on the market. It was the first time that medicated cough sweets were sold in loose form, and not by the tin or bottle, in Singapore. Customers therefore came to recognise the sweets by their wrappers. The vast majority of non English speaking customers, who are unable to 30 read the words printed on the wrappers, asked for the sweets by describing them as 'red paper cough sweets'. ..... I find it proved that the Plaintiffs' get+up became distinctive of their goods and that it was associated or identified at all material times with the Plaintiffs' goods and no others." If, by this passage in his Judgment, Mr. Justice Tan Ah Tah is holding that a red paper wrapping, irrespect-

ive of any other matter imprinted upon it had at any time become distinctive of the Appellants 40 the Respondents will submit that such a finding was in error as there was no evidence to support it. The Respondents will further submit that by using a red paper wrapper with other matter, and in particular the name "Hacks", advanced by the Appellants in their advertising as the distinctive feature of the get-up, the Appellants cannot be entitled to claim a monopoly in the words "red paper cough sweets" 50 words referred to in the Judgment of Mr. Justice Tan Ah Tah as a description.

7. The Respondents' arguments based on the

App. p.53 1.28

App. p.55 1.34.

emphasis in advertising placed on the word "Hacks" and its use on the wrapping papers were considered by Mr. Justice Tan Ah Tah who said "In considering these arguments it must be borne in mind that the majority of purchasers of the sweets are unable to read English and as there are no Chinese characters or any other Asian script on the wrappers, there is nothing to assist such purchasers to distinguish 'Pecto' 10 sweets from 'Hacks' sweets. In the circumstances in which the sweets are sold such purchasers cannot associate the name 'Hacks' with the Plaintiffs' sweets because they cannot read In short, so far as non-English speaking English. members of the public are concerned, the get-up is all important in this case, while the name is insignificant". In the submission of the Respondents Mr. Justice Tan Ah Tah gave insufficient weight to the fact that the word "Hacks", admittedly advertised as the distinguish- 20 ing name for the Appellants' sweets, was so advertised not only in English but also in transliterations. Mr. Justice Tan Ah Tah also failed to give any consideration to the fact that the word on the wrapper forms part of the get-up even if it is considered merely as a feature of pattern or ornament on the wrapper rather than a written word. As a mere feature of pattern or ornament it is readily distinguish-30 able from the word "Pecto", considered as a feature of pattern or ornament, as applied to the wrappers for the sweets sold by the Respondents. In the submission of the Respondents Mr. Justice Tan Ah Tah erred in considering "get-up" on the basis that it was to be found in a red paper wrapper alone. A paper wrapper of such, or indeed any, colour, could not in the submission of the Respondents be or become distinctive and it was certainly not established on the evidence 40 that red paper wrappers as such had become distinctive. Coloured paper wrappers for sweets were in common use and must in the submission of the Respondents be regarded as being common to be used in this trade.

On the question of distinctiveness, in the 8. App. p.57 1.33. Court of Appeal Mr. Justice Buttrose said "What a plaintiff must prove in a passing-off action such as this was clearly laid down by Cozens-Hardy M.R. in the case of J.B. Williams & Company v. H. Bronnley & Co. Ltd. (1909) 26 R.P.C. 771. What was there said by the Master of the Rolls was this: 'It seems to me that in the first

place he (the plaintiff) must, in order to succeed, establish that he has selected a peculiar - a novel - design as a distinguishing feature of his goods, and that his goods are known in the market and have acquired a reputation in the market by reason of that distinguishing feature, and that unless he establishes that, the very foundation of his case fails. If he takes a colour and a shape 10 which are common to the trade the only distinctive feature is that which he has added to the common colour and the common shape and unless he can establish that there is in the added matter such a similarity as is calculated to deceive, I think he must fail' .... But there was nothing either in the colour, shape, size or mode of wrapping which, in my opinion, constituted a peculiar - a novel or capricious design as a distinguishing feature of the sweet. 20 The pla intiff in a passing-off action is claiming a monopoly, a thing which the law will only allow him if he proves conclusively in the words of Harman J. in M. Saper Limited v. Specter's Ltd. and Boxes Ltd. 1953 70 R.P.C. at P.178, 'that owing to the merits of the matter, he ought to be protected, in the interests of honest trading and general commercial morality'.

The Plaintiffs, in my opinion, have no right to a monopoly of orange, red or other coloured paper for wrapping sweets - cough or otherwise because as it seems to me they are common things in, and well known features of, the trade. The defendants were only using what was a common device, namely, coloured wrappers for their cough sweets. There was nothing unusual in the way the sweets were wrapped and they were of a normal size and shape and the plaintiffs cannot have any of those claims to monopoly which alone would entitle them to an injunction."

9. On the question of distinctiveness Mr. Justice Ambrose said "It seems to me that the wrappers of the plaintiffs' sweets served also as labels: and that the novel design selected by the plaintiffs to serve as a distinguishing feature of their sweets was the word 'Hacks' printed on wrappers of a particular shade of orange colour. In view of the extensive advertising of the Plaintiffs' sweets, the increase in the sales ..... and the fact that

50 increase in the sales ..... and the fact that the word 'Hacks' was printed on the plaintiffs' wrappers, I think it is indisputable that the App. p.58 1.29

App. p.66 l.1

particular get-up which the plaintiffs have been using has become associated exclusively with their sweets. The plaintiffs admit that the object of the advertising was to publicize and emphasize the name 'Hacks'. There were advertisements in English, Chinese, Malay and Tamil in newspapers, on the screen at various cinemas and on Rediffusion. After having dinned into the ears of the public that what earnarks their goods is the word 'Hacks', the plaintiffs now make the extraordinary claim that the plaintiffs' sweets have acquired a reputation in Singapore solely by reason of the App. p.66 1.41 colour of their wrappers ..... In my judgment the Plaintiffs' sweets acquired a reputation in Singapore not only by reason of the colour of the Plaintiffs' wrappers but also by reason of the trade name printed on them both of which the plaintiffs selected to serve as a distinguishing feature of their sweets. It follows therefore, that the plaintiffs by acquiring a reputation in that way acquired a quasiproprietary right to the exclusive use of their particular get-up in relation to sweets. In my opinion, even if the vast majority of such customers as did not speak English referred to 'Hacks' sweets as 'red-paper cough sweets' that could not give the plaintiffs a monopoly as regards the colour of their wrappers". The Respondents respectfully adopt the reasoning and conclusions of Mr. Justice Buttrose and Mr. Justice Ambrose.

App. p.62 l.6

10. In his dissenting Judgment Mr. Justice Wee dealing with the question of distinctiveness said "I am of the opinion that the finding of the learned trial Judge (who, be it remembered, had the advantage of seeing all the witnesses) that the plaintiffs have proved that their get-up became distinctive of their goods and that it was associated or identified at all material times with the plaintiffs and no others is justified on the evidence". The Respondents would respectfully submit that Mr. Justice Wee failed, as did Mr. Justice Tan Ah Tah, to deal sufficiently with the question as to what must be considered the "get-up". Mr. Justice Wec appears to have accepted that it would be possible to secure distinctiveness in a coloured wrapper alone and to have concluded that it was established that such distinctiveness had been acquired by the Appellants in their wrapper. In

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the submission of the Respondents there was no evidence to support acquired distinctiveness and the nature of the wrapper must be such that distinctiveness in the wrapper per se could not be acquired.

11. On the question of confusion or probability of confusion Mr. Justice Tan Ah Tah having referred to the practice of retailers selling the sweets loose from jars which were unlabelled and the fact that customers described the sweets as 10 "red-paper cough sweets" said "Evidence was given by witnesses called by the plaintiffs to the effect that some retailers kept both 'Hacks' and 'Pecto' sweets in the same glass jar and displayed them for sale in that manner ..... It is in my opinion clear from such evidence and from the other facts and circumstances which have been proved in this case that there is a probability of confusion between 'Hacks' and 'Pecto' sweets. I find that the similarity of the get-up of 'Pecto' sweets to that of 'Hacks' sweets is such 20 as to be calculated to deceive and I am satisfied that what the defendants have done has given rise to a probability of deception." It is not suggested that there was any evidence of actual confusion or deception. In the submission of the Respondents the fact that retailers put two brands of sweets in one jar and when asked for one brand serve the customer with a mixture cannot amount to evidence of confusion and 30 deception by reason of any postulated resemblance between the get-up of the sweets. Certainly no witness who made an actual purchase of a mixture was deceived. It has at all times been accepted by the Appellants that persons in the trade

would not be deceived. There was, as has already been said, no evidence from the public at all. The Appellants themselves gave evidence that a number of retailers had endeavoured to exchange
the Respondents' "Pecto" sweets for the Appellants' sweets because they were unable to sell the Respondents' sweets.

12. In the Court of Appeal Mr. Justice Buttrose having come to the conclusion that there was no evidence of distinctiveness dealt with the question of probability of confusion very shortly saying "With regard to the other matters raised on this appeal there was, in my view, no substance in them. The evidence given on behalf of the Plaintiffs was unsatisfactory and fell far short of establishing either reputation or deception. A

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App. p.54 1.14

App. p.59 1.10

considerable amount of the evidence was hearsay and inadmissible, and the learned trial Judge's finding as to illiteracy was not, in my opinion, supported by the evidence". Mr. Justice Ambrose dealing with this point quoted from the words of Lord Halsbury in <u>Schweppes Limited v. Gibbens</u> (1905) 22 R.P.C. 601 at p.607 "The whole question App. p.67 1.30 in these cases is whether the thing - taken in its entirety, looking at the whole thing - is 10 such that in the ordinary course of things a person with reasonable apprehension and with proper eyesight would be deceived". He continued App. p.68 1.15 saying "A customer who knows the distinguishing characteristics of the plaintiffs' sweets, but does not see the plaintiffs' sweets and the defendants' sweets placed side by side and trusts to his memory, is not likely to be deceived". The difference is obvious and is not concealed. The Defendants state on their wrappers in the 20 clearest manner that they are selling 'Pecto' sweets". Mr. Justice Ambrose also dealt with the sales by retailers from unlabelled jars from glass jars or bottles of a mixture of sweets App. p.68 1.42 saying "In my opinion this evidence does not prove that the defendants' get-up enables retail dealers to deceive the ultimate purchasers. consider that retail dealers who mix up the defendants' sweets and the plaintiffs' sweets in a glass jar are not treating the defendants' 30 sweets fairly and a re not showing them fairly to the ultimate purchaser. In my judgment, to supply 'Hacks' sweets and 'Pecto' sweets mixed when asked for 'Hacks' is clearly deception on the part of retail dealers for which the defendants are not responsible".

> 13. Mr. Justice Wee in his dissenting judgment said on the question of probability of deception "On this aspect of the case, bearing in mind, as I have said that the learned trial Judge had the advantage of seeing the witnesses, I myself am unable to come to a different conclusion on the evidence in the Record. Indeed I find it difficult to accept the evidence of the managing director of the defendant company that the change of colour of the Pecto wrapper from the original white to one identical for all intents and purposes to that of the Hacks wrapper was due solely to the fact that such sweets wrapped and sold loose over the counter sweated thereby making white an unsuitable colour and that the

App. p.62 1.34

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choice of the orange colour for the wrapper was fortuitous as being one of several sample colours sent out by the manufacturers. I myself cannot help but come to the conclusion, if it was necessary to do so for the purpose of arriving at my decision in this appeal, that this change was not for the reasons as stated by the defendants but from some motive not consistent with innocence in that they expected to derive some commercial advantage from the 10 use of the same colour for their wrapper as that of the plaintiffs' wrapper." The Respondents would respectfully observe that Mr. Justice Tan Ah Tah who had the advantage of seeing the witnesses did not come to any adverse conclusion so far as the Respondents are concerned upon this point but that it must also be remembered that although Mr. Justice Tan Ah Tah saw the witnesses eleven 20 months elapsed between the hearing and the delivering of his judgment. Mr. Justice Wee also said "It was contended by Counsel for the defendants that unless the plaintiffs claim a monopoly for the use of that particular colour of their wrapper, which they could and did not. then their action failed in limine. In my opinion the fact that the plaintiffs neither at the trial nor before us claimed such a monopoly matters not and so long as any other 30 trader uses a similar colour so as to mislead or to be likely to mislead purchasers as to whose the goods were, they were entitled to have an injunction to restrain such use." In the submission of the Respondents the Appellants upon their case as presented must establish a monopoly to a wrapper of a red colour if they are to succeed at all. In the Court of Appeal Mr. Justice Wee does not appear to be prepared to go so far as to say 40 that they either could establish or had in fact established such a monopoly. Mr. Justice Buttrose and Mr. Justice Ambrose came to the conclusion that they could not establish such a monopoly and certainly had not done so on the facts as proved.

14. In the submission of the Respondents the Court of Appeal by a majority rightly concluded that the Appeal should be allowed and the Appeal now presented to Your Lordships by the Appellants ought to be dismissed for the following among other

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App. p.63 1.16

## REASONS

- (1) BECAUSE a plain coloured wrapper for a sweet is not in itself capable of distinguishing.
- (2) BECAUSE the Appellants did not establish that the plain coloured wrapper for their sweets was distinctive per se.
- (3) BECAUSE the distinctive feature of the Appellants' sweets was the Trade Mark "Hacks" and the distinctive feature of the wrapper was the word "Hacks" upon the coloured wrapper.
- (4) BECAUSE there was no evidence of confusion or deception.
- (5) BECAUSE there is no probability that the sweets sold by the Respondents in the wrapper branded "Pecto" would be likely to lead to confusion or deception.

JOHN WHITFORD

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ASIAN ORGANISATION LIMITED Respondents

CASE FOR THE RESPONDENTS

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