

**IN THE GENERAL DIVISION OF  
THE HIGH COURT OF THE REPUBLIC OF SINGAPORE**

**[2021] SGHC 272**

Suit No 1252 of 2018

Between

- (1) FUJIFILM Business  
Innovation Asia Pacific Pte  
Ltd
- (2) FUJIFILM Business  
Innovation Singapore Pte Ltd
- (3) FUJIFILM Business  
Innovation Corp

And

PTC Business Systems Pte Ltd

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**GROUND OF DECISION**

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[Intellectual Property] — [Copyright] — [Infringement] — [Primary  
infringement]

[Intellectual Property] — [Copyright] — [Infringement] — [Secondary  
infringement]

[Intellectual Property] — [Copyright] — [Parallel imports]

[Intellectual Property] — [Trade marks and trade names] — [Defences] —  
[Descriptive use]

[Intellectual Property] — [Trade marks and trade names] — [Parallel imports]

[Intellectual Property] — [Trade marks and trade names] — [Passing off]

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**FUJIFILM Business Innovation Asia Pacific Pte Ltd and  
others**

**v**

**PTC Business Systems Pte Ltd**

**[2021] SGHC 272**

General Division of the High Court — Suit No 1252 of 2018

Mavis Chionh Sze Chyi J

14–17 July 2020, 4–7 January, 30 July 2021

30 November 2021

**Mavis Chionh Sze Chyi J:**

**Introduction**

1 The plaintiffs sued the defendant for trade mark infringement under the Trade Marks Act (Cap 332, 2005 Rev Ed) (“Trade Marks Act”), passing off, and copyright infringement under the Copyright Act (Cap 63, 2006 Rev Ed) (“Copyright Act”). In gist, the plaintiffs pleaded that, without their consent, the defendant had modified and sold machines bearing the plaintiffs’ “ApeosPort”, “DocuCentre” and/or “Fuji Xerox” marks in Singapore. The plaintiffs specifically referred to six photocopiers which had originally been manufactured by the 3rd plaintiff or its subsidiaries in countries other than Singapore and were not intended for any market outside of those countries.

2 On 30 July 2021, I allowed the plaintiffs’ claims in respect of trade mark infringement, passing off, secondary copyright infringement and rights

management information infringement under s 260 of the Copyright Act. I rejected the plaintiffs’ claim for primary copyright infringement. The defendant filed a Notice of Appeal against my decision on 30 August 2021, and I now give my reasons for my decision.

## **The facts**

### ***The parties***

3        Shortly before I gave my decision, the plaintiffs were granted leave in HC/SUM 3049/2021 to amend their names in this action. In these written grounds, I will refer to the plaintiffs by their amended names.

4        The 1st plaintiff, FUJIFILM Business Innovation Asia Pacific Pte Ltd, is a company incorporated in Singapore in the business of, *inter alia*, manufacturing and importing printing and media equipment under the “Fuji Xerox” mark (“Fuji Xerox Equipment”) in the Asia Pacific region. It has been carrying on business in Singapore using the “Fuji Xerox” mark since its incorporation in 1991, in connection with the provision of the said goods and services.<sup>1</sup>

5        The 2nd plaintiff, FUJIFILM Business Innovation Singapore Pte Ltd, is a wholly-owned subsidiary of the 1st plaintiff. It is also incorporated in Singapore and has been carrying on business in Singapore using the “Fuji Xerox” mark since its incorporation in 1985, in connection with the provision of goods and services of, *inter alia*, importing, distributing and marketing Fuji Xerox Equipment in Singapore.<sup>2</sup>

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<sup>1</sup>        Statement of Claim dated 11 December 2018 (“SOC”) at para 1.

<sup>2</sup>        SOC at para 2.

6 The 3rd plaintiff, FUJIFILM Business Innovation Corp, is a company incorporated in Japan. The 1st plaintiff is a wholly-owned subsidiary of the 3rd plaintiff, and the 3rd plaintiff is a joint venture between Fujifilm Holdings in Japan and Xerox Corporation in the USA.<sup>3</sup> In 2019, Fujifilm Holdings bought over the Xerox Corporation shares in the 3rd plaintiff.<sup>4</sup>

7 The defendant, PTC Business Systems Pte Ltd, is a company incorporated in Singapore selling, *inter alia*, office equipment and stationery.<sup>5</sup> It is not disputed that the defendant is not an authorised dealer of Fuji Xerox Equipment in Singapore. It does, however, claim to be in the business of parallel importing and exporting various office equipment, including photocopiers and printing machines.<sup>6</sup>

## ***Background***

### *The marks*

8 Among the Fuji Xerox Equipment, the plaintiffs sell (*inter alia*) two series of multifunction photocopiers under the mark “DocuCentre” and under the mark “ApeosPort”. These multifunction photocopiers are equipped with various capabilities, including colour printing and copying. Fuji Xerox Equipment under the mark “ApeosPort” have functions that are not found in Fuji Xerox Equipment under the mark “DocuCentre” and are sold at higher

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<sup>3</sup> SOC at para 3.

<sup>4</sup> Affidavit of Evidence-in-Chief (“AEIC”) of Caron Batchelor Veronica dated 22 June 2020 (“Batchelor AEIC”) at para 11.

<sup>5</sup> AEIC of Poh Beng Leong dated 22 June 2020 (“Poh AEIC”) at para 4.

<sup>6</sup> Defence (Amendment No. 2) dated 13 July 2020 (“Defence”) at para 6.



prices.<sup>7</sup> “ApeosPort” Fuji Xerox Equipment will have product names starting with “AP”, while “DocuCentre” Fuji Xerox Equipment will have product names starting with “DC”.<sup>8</sup> Each product has an accompanying 4-digit code that denotes the printing speed of the machine: *eg* a “5575” model will print 55 pages per minute. Larger digits denote a higher function machine that will carry a higher price.<sup>9</sup> Each machine that carries the “ApeosPort” or “DocuCentre” mark also carries the “Fuji Xerox” trade mark.<sup>10</sup>

9 The 3rd plaintiff is the registered proprietor of the trade mark “ApeosPort” (TM No. T0513649E) in respect of products in Class 9, which includes facsimile machines, printers for use with computers and computer software.<sup>11</sup> The 1st and 2nd plaintiffs are licensees of the “ApeosPort” registration.<sup>12</sup> Xerox Corporation owns the “DocuCentre” and “Fuji Xerox” trade marks, and all three plaintiffs pay royalties to Xerox Corporation for the use of these marks.<sup>13</sup>

10 According to the 1st plaintiff’s head legal counsel Caron Batchelor Veronica (“Ms Batchelor”), all the Fuji Xerox Equipment in this case was manufactured and branded by the 3rd plaintiff in Japan with Xerox Corporation’s express or implied consent. All the Fuji Xerox Equipment was installed with licensed software/firmware owned by the 3rd plaintiff, which was

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<sup>7</sup> SOC at para 4.

<sup>8</sup> Batchelor AEIC at paras 18–19.

<sup>9</sup> Batchelor AEIC at para 21.

<sup>10</sup> Batchelor AEIC at para 30.

<sup>11</sup> SOC at para 6.

<sup>12</sup> SOC at para 7; Batchelor AEIC at para 24.

<sup>13</sup> Transcript, 14 July 2020 at p 15, line 13–p 16, line 29; p 72, lines 16–28.

required to run and operate the Fuji Xerox Equipment. While the media on which the software/firmware is installed may be sold, the software/firmware itself (including intellectual property rights like copyright) is only licensed.<sup>14</sup> For Fuji Xerox Equipment marketed and sold in Singapore, the 2nd plaintiff (under the authority of the 1st and 3rd plaintiffs) imports the Fuji Xerox Equipment from the 3rd plaintiff.<sup>15</sup>

*Terms of sale and lease in the 2nd plaintiff's contracts*

11 The 2nd plaintiff's contracts with its customers for the sale of "DocuCentre" or "ApeosPort" goods list the "Software / FXS Licensed Software" separately from the machine.<sup>16</sup> The contracts include certain standard clauses:

3. FXS, its related company or licensor (as the case may be) shall at all times remain the absolute owner of all rights, title and interest in the FXS Licensed Software. The License is non-exclusive and non-transferable, and is solely for use in conjunction with the Equipment in which installation is first made by FXS.

...

- 3.2 Customer will not do or allow any act or thing which is likely to jeopardise or invalidate any of the intellectual property rights in the FXS Licensed Software and will not copy, reproduce or in any other way alter, modify, duplicate, reverse engineer, decompile or disassemble the FXS Licensed Software.

According to Ms Batchelor, "FXS" refers to the 2nd plaintiff, while "its related company or licensor" refers to the 3rd plaintiff.<sup>17</sup>

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<sup>14</sup> Batchelor AEIC at paras 13–14.

<sup>15</sup> Batchelor AEIC at para 15.

<sup>16</sup> Agreed Bundle of Documents dated 29 June 2020 ("AB") Vol 2 at pp 476–478.

<sup>17</sup> Batchelor AEIC at paras 36–37.

12 Software/firmware for leasing arrangements is treated in a similar manner.<sup>18</sup> For example, one of the contracts between the 3rd plaintiff (the “Seller”) and a leasing company (“Party A”) provides:

Article 6            Transfer of ownership

(1) The ownership of the Machines/Software will transfer from the Seller to Party A once delivered.

(2) The copyrights of the program installed in the Machines and the program installed in the Software (collectively referred to as “**Program**”) will NOT transfer from the Seller to Party A.

Article 7            Setting of License

...

(2) Party A shall not use the Program for its own purpose.

(3) Party A shall not duplicate or modify the Program.

(4) Party A shall not disclose or provide the Program to any party other than the Customer of the third party that signed the Lease Contract with Party A.

...

Article 14          Measures to take when Lease Contract expires

...

(2) ... if Party A and the Customer were not going to renew the lease, Party A will abandon ownership of the Machines and transfer it to the Seller, unless specified otherwise. The Seller will then re-use the Machines or recycle them.

(3) ... in case re-leasing will not be carried out between Party A and the Customer, yet Software is included in the Lease Contract, the Seller would collect back the Software, and the technician of the Seller will delete or destroy the Program in the floppy discs or other media used...

...

[emphasis in original]

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<sup>18</sup> Batchelor AEIC at para 39; AB Vol 8 at pp 2089–2096.

13 The plaintiffs also provided a template Dealership Agreement that the 2nd plaintiff would enter into for dealerships in Singapore.<sup>19</sup> The template Dealership Agreement states, *inter alia*:

9.2 The Dealer shall not without the prior written consent of FXS:

- (a) sell directly or indirectly any of the products outside [Singapore], or to any person in [Singapore], when it knows or has reason to believe that the Products would be resold outside [Singapore].

15.2 The Dealer further undertakes:

- (a) not to cause or permit anything which may damage or endanger the intellectual property rights of FXS or FX, or assist or allow others to do so;

...

- (h) not to tamper with any markings or name plates or other indication of the source or origin of the Products which may be placed by FXS on the Products;

- (i) not to use the intellectual property unless it is permitted under this Agreement;

...

- (n) to refrain from engaging and to procure its sub-Dealer(s) (if any) not to engage in any parallel import activities.

14 It is apparent that under the 2nd plaintiff's Dealership Agreements, a reseller cannot sell Fuji Xerox Equipment outside the territory: *eg* if the reseller

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<sup>19</sup> Batchelor AEIC at para 47; AB Vol 8 at pp 2173–2203.

is in China, they may only sell the Fuji Xerox Equipment within China. This was confirmed by Ms Batchelor under cross-examination.<sup>20</sup>

*Software/firmware*

15 I now turn to the software/firmware that was installed in the Fuji Xerox Equipment. According to the plaintiffs, the Fuji Xerox Equipment is inoperable without this software/firmware.<sup>21</sup> While the physical machine of the Fuji Xerox Equipment may be leased or sold, this software/firmware is only licensed, and no end-user is granted a right to sub-license the software/firmware.<sup>22</sup> An end-customer who has bought a Fuji Xerox Equipment may sell the equipment, but the software/firmware will “automatically become an unlicensed copy upon any such sale”.<sup>23</sup>

16 Within the software/firmware, relevant rights management information in electronic form is embodied in it. This rights management information is unique to each Fuji Xerox Equipment machine. It includes the serial number, machine model, machine name and product code. The plaintiffs can track every item or component of a Fuji Xerox Equipment by way of this information, through its traceability system. The plaintiffs will also affix a physical label on every Fuji Xerox Equipment machine, where the said rights management information is incorporated into the surface of the Fuji Xerox Equipment: this is intended to be a permanent part of the machine.<sup>24</sup>

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<sup>20</sup> Transcript, 14 July 2020 at p 19, lines 10–16.

<sup>21</sup> Batchelor AEIC at para 58.

<sup>22</sup> Batchelor AEIC at paras 60–61.

<sup>23</sup> Batchelor AEIC at para 62.

<sup>24</sup> Batchelor AEIC at paras 64–66.

*Investigation reports and letters of demand*

17 From 2014, the plaintiffs conducted various investigations into the defendant’s business. I summarise these as follows.

(1) April 2014: Acquiring Offending Machine 4

18 Around 15 April 2014, the 2nd plaintiff acquired one of the Offending Machines (Offending Machine 4) from S M Compass Enterprise Pte Ltd (“S M Compass”),<sup>25</sup> which S M Compass had bought from the defendant about two weeks earlier<sup>26</sup>. The 2<sup>nd</sup> plaintiff stored the machine at the 1st plaintiff’s premises in Singapore.<sup>27</sup> That same month, one Doi Kensuke, an employee of the 3rd plaintiff, examined Offending Machine 4 and prepared the Seito Investigation report.<sup>28</sup> This report stated, *inter alia*, that this machine, which had an original serial number of 312708, “might be sold to Singapore Dealer from Malaysia”.<sup>29</sup>

19 The 2nd plaintiff, through its solicitors, subsequently sent letters to the defendant on 20 June 2014 (“June 2014 Letter”),<sup>30</sup> 3 July 2014 (“July 2014 Letter”),<sup>31</sup> and 1 August 2014 (“August 2014 Letter”).<sup>32</sup> In the June 2014 Letter, the 2nd plaintiff’s then-solicitors stated that “[the defendant] [had] changed the

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<sup>25</sup> Batchelor AEIC at para 169; AB Vol 9 at pp 2323 and 2328.

<sup>26</sup> AB Vol 9 at pp 2321–2322.

<sup>27</sup> Batchelor AEIC at para 178.

<sup>28</sup> AB Vol 3 at pp 716–722; AEIC of Minako Morimoto dated 19 June 2020 (“Morimoto AEIC”) at para 6.

<sup>29</sup> AB Vol 3 at p 717.

<sup>30</sup> AB Vol 3 at pp 724–725.

<sup>31</sup> AB Vol 3 at p 726.

<sup>32</sup> AB Vol 3 at pp 728–732.

label and the serial number of the FujiXerox photocopiers that you are marketing and selling”, and such conduct amounted “to a misrepresentation of the true identity of the subject product”.<sup>33</sup> In the August 2014 Letter, the 2nd plaintiff’s new solicitors stated that this “change of serial number in the display of our client’s product...entails unauthorized alteration of our client’s proprietary, embedded software program for operation of the product”.<sup>34</sup>

(2) November 2014: Acquiring Offending Machines 5 and 6

20 Around November 2014, the 2nd plaintiff acquired Offending Machine 5 from Focus Art Pte Ltd (“Focus Art”), which had bought it from the defendant around 21 October 2014.<sup>35</sup> The 2nd plaintiff also acquired Offending Machine 6 from Raymond Ng & Associates Pte Ltd (“Raymond Ng & Associates”), which had bought it from the defendant around 5 November 2014.<sup>36</sup> Offending Machines 5 and 6 were stored at the 1st plaintiff’s premises.<sup>37</sup>

21 Subsequently, one Minako Morimoto (“Morimoto”), a staff member of the Customer Satisfaction Quality Assurance Group of the 3rd plaintiff, examined Offending Machines 5 and 6 and prepared the Seito Investigation for Changed Serial No. dated 26 November 2014 (the “26 November 2014 Report”).<sup>38</sup> Morimoto found, *inter alia*, that the serial numbers of both the

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<sup>33</sup> AB Vol 3 at p 724.

<sup>34</sup> AB Vol 3 at p 729, para 7(c).

<sup>35</sup> Batchelor AEIC at para 173; AB Vol 3 at pp 752–756.

<sup>36</sup> Batchelor AEIC at para 174; AB Vol 3 at pp 757–759.

<sup>37</sup> Batchelor AEIC at para 178.

<sup>38</sup> Morimoto AEIC at para 8; AB Vol 3 at pp 760–779.

machines (455024 and 455224) were not “[the] original one[s] in the factory”, which were 440578 and 840161 respectively.<sup>39</sup>

22 On 22 May 2015, the 2nd plaintiff’s solicitors sent a letter to the defendant’s solicitors with its investigative findings on Offending Machines 4, 5 and 6.<sup>40</sup> The letter stated that “these actions render these illegally modified products non-genuine”, and that the “practical effect” of the defendant’s sale of these products was to “deprive the end-customer of product warranty, maintenance and after-sales services, normally associated with a genuine product”.<sup>41</sup> The letter also demanded that the defendant provide the 2nd plaintiff with the defendant’s supplier information.<sup>42</sup>

(3) June and July 2017: Further investigations by the plaintiffs

23 Subsequently, in June 2017, the 2nd plaintiff engaged Covert Investigation Pte Ltd (“Covert Investigation”) to conduct surveillance on the defendant. Covert Investigation prepared an investigation report dated 30 June 2017 (the “Covert Investigation Report”).<sup>43</sup> As stated in the Covert Investigation Report, the investigators observed the delivery of various Fuji Xerox Equipment to different locations in Singapore, including a delivery of toners to Grace Management & Consultancy Services Pte Ltd (“GMC”) on 16 June 2017.<sup>44</sup>

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<sup>39</sup> AB Vol 3 at p 761.

<sup>40</sup> AB Vol 4 at pp 861–864.

<sup>41</sup> AB Vol 4 at p 863, paras 7 and 9.

<sup>42</sup> AB Vol 4 at p 863, para 13.

<sup>43</sup> Batchelor AEIC at para 179; AB Vol 5 at pp 1072–1217; AEIC of Lee Sing Ling Wendell Dennis dated 22 June 2020 (“Dennis Affidavit”) at paras 8–9.

<sup>44</sup> AB Vol 5 at pp 1078 and 1162.



24 Subsequently, Ai Yasuda (“Ms Yasuda”), a Quality Management Executive of the 3rd plaintiff, prepared a Parallel Import Investigation Report dated 25 July 2017 (the “July 2017 Report”).<sup>45</sup> The July 2017 Report detailed a visit to Rooftop Recruiters Pte Ltd on 12 July 2017 and showed, *inter alia*, that instead of a valid machine name, the machine name had been changed to an individual person’s name.<sup>46</sup> However, this was not one of the six Offending Machines referred to in the Statement of Claim.<sup>47</sup>

(4) November 2017: Acquiring Offending Machines 1, 2 and 3

25 The 1st plaintiff reviewed the list of places which the defendant’s staff were observed visiting in the Covert Investigation Report – and which included GMC.<sup>48</sup> Around November 2017, a representative from the 1st plaintiff visited GMC, together with Ms Yasuda and the 2nd plaintiff’s engineer. They found that Offending Machines 1, 2 and 3 had been modified and reported this to the directors of GMC. The directors were not aware of the modifications, and they exchanged Offending Machines 1, 2 and 3 with Fuji Xerox Equipment supplied by the 2nd plaintiff.<sup>49</sup>

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<sup>45</sup> AB Vol 5 at pp 1218–1235; AEIC of Ai Yasuda dated 19 June 2020 (“Yasuda AEIC”) at para 27.

<sup>46</sup> Yasuda AEIC at para 33.

<sup>47</sup> Yasuda AEIC at para 38.

<sup>48</sup> Batchelor AEIC at para 187.

<sup>49</sup> Batchelor AEIC at paras 187–189; AB Vol 9 at pp 2329–2330.

26 The 2nd plaintiff took possession of Offending Machines 1, 2 and 3 around 12 December 2017 and stored them at the premises of SG Investigators Pte Ltd (“SG Investigators”) that same day.<sup>50</sup>

(5) Events of 2018

27 On 4 June 2018, the 1st plaintiff was granted leave in HC/OS 226/2018 to commence proceedings against the defendant for, *inter alia*, infringement of the registered “ApeosPort” mark.

28 On 3 September 2018, SG Investigators transported Offending Machines 4, 5 and 6 from the 1st plaintiff’s premises to its own office.<sup>51</sup> All six Offending Machines continue to be stored at SG Investigators under constant video surveillance.<sup>52</sup> Offending Machines 1, 2 and 3 (the “GMC Machines”) were inspected by Ms Yasuda on 18 December 2017, and again by Ms Yasuda and one Ronald Glico, a Customer Service Engineer of the 2nd plaintiff, on 28 August 2018.<sup>53</sup>

29 After the inspections, Ms Yasuda prepared a Parallel Import Investigation Report dated 7 September 2018 (the “September 2018 Report”).<sup>54</sup> In the September 2018 Report, Ms Yasuda detailed her findings in respect of each Offending Machine:<sup>55</sup>

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<sup>50</sup> Batchelor AEIC at para 188; AEIC of Kang Chor Hee dated 22 June 2020 (“Kang AEIC”) at paras 5–6.

<sup>51</sup> Kang AEIC at para 7.

<sup>52</sup> Kang AEIC at para 8.

<sup>53</sup> Kang AEIC at para 9; Yasuda AEIC at para 41.

<sup>54</sup> AB Vol 6 at pp 1355–1416.

<sup>55</sup> Yasuda AEIC at paras 40, 45–49.

(a) Offending Machine 1, sold under the name “ApeosPort”: This machine had its copy speed (and corresponding product name), product code and serial number changed.<sup>56</sup>

(b) Offending Machine 2, sold under the name “ApeosPort”: This machine had its product name changed from the lower-priced “DocuCentre” model to the higher-priced “ApeosPort” model. It also had its serial number changed.<sup>57</sup>

(c) Offending Machine 3, sold under the name “ApeosPort”: According to the plaintiffs, the serial number of this machine had been changed when it was in the defendant’s possession, but had reverted to the original, genuine serial number by the time the 3rd plaintiff’s representative examined the machine.<sup>58</sup>

(d) Offending Machine 4, sold under the name “DocuCentre”: This machine had its copy speed (and corresponding product name) and serial number changed.<sup>59</sup>

(e) Offending Machine 5, sold under the name “DocuCentre”: This machine had its copy speed (and corresponding product name), product code, and serial number changed.<sup>60</sup>

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<sup>56</sup> AB Vol 6 at pp 1357–1365.

<sup>57</sup> AB Vol 6 at pp 1366–1376.

<sup>58</sup> AB Vol 6 at pp 1377–1389; Yasuda AEIC at para 48.

<sup>59</sup> AB Vol 6 at pp 1390–1397.

<sup>60</sup> AB Vol 6 at pp 1398–1406.

(f) Offending Machine 6, sold under the name “DocuCentre”: This machine had its copy speed (and corresponding product name) and serial number changed.<sup>61</sup>

30 On 11 December 2018, the plaintiffs filed HC/S 1252/2018 (“Suit 1252”) in respect of the six Offending Machines. The 3rd plaintiff gave an undertaking not to commence legal proceedings in its own name against the defendant for trade mark infringement. It remained a party to the passing off, copyright and rights management information infringement claims.<sup>62</sup>

### ***The plaintiffs’ case***

#### *Trade mark infringement*

31 The plaintiffs pleaded that the defendant infringed the ApeosPort registration by using in the course of trade and without the 3rd plaintiff’s consent a mark which was identical to the “ApeosPort” mark in relation to goods which were “identical to those for which the “ApeosPort” mark is registered.”<sup>63</sup> In particular, the plaintiffs claimed – under s 27(1) of the Trade Marks Act – that the defendant had been selling, offering or exposing for sale, leasing, servicing, importing and/or advertising photocopiers, printers and facsimile machines bearing the mark “ApeosPort” to members of the public in Singapore, on the defendant’s website and at the defendant’s registered business address. According to the plaintiffs, the defendant had been affixing the mark “ApeosPort” to its photocopiers, printers and facsimile machines and/or their

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<sup>61</sup> AB Vol 6 at pp 1407–1415.

<sup>62</sup> SOC at para 8.

<sup>63</sup> SOC at para 9.

packaging; as well as using the “ApeosPort” mark on catalogues, price lists and other documents.

32 Specifically, the plaintiffs alleged that around 2015 to 2016, the defendant sold Offending Machines 1, 2 and 3 bearing the “ApeosPort” mark to GMC. These could be traced to machines which were originally put on the market in Japan by the 3rd plaintiff or its subsidiaries in Japan in 2010, 2012 and 2013 respectively, and which were not intended for any market outside Japan: these machines had been designated as scrap and were to have been destroyed in Japan. The GMC Machines had their conditions altered from the original machines, *inter alia*, with altered firmware, the incorporation of a step-down transformer, and altered print-speed configuration.<sup>64</sup>

33 Alternatively, the plaintiffs relied on section 27(2) of the Trade Marks Act. They pleaded that the defendant had infringed the ApeosPort registration by using in the course of trade without the consent of the 3rd plaintiff a mark, where – because the mark was identical with or similar to the ApeosPort mark in relation to goods which were identical with or similar to those for which the ApeosPort mark is registered – there existed a likelihood of confusion on the part of the public.<sup>65</sup>

#### *Passing off*

34 The plaintiffs also alleged passing off by the defendant in respect of the “ApeosPort”, “DocuCentre” and “Fuji Xerox” marks. In gist, the plaintiffs alleged that the defendant’s acts of, *inter alia*, importing and selling

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<sup>64</sup> SOC at para 9(d).

<sup>65</sup> SOC at para 11.

photocopiers and other printing equipment under each of those marks to members of the public in Singapore, when these were not unmodified photocopiers or other printing equipment, amounted to a misrepresentation to members of the public and was likely to cause confusion to the relevant public by leading them to believe that machines affixed with those marks and sold by the defendant were those manufactured by the plaintiffs or connected to/associated with the plaintiffs.<sup>66</sup>

35 The plaintiffs referred to the defendant’s sale of three machines (Offending Machines 4, 5 and 6), bearing the “DocuCentre” mark, as “BRAND NEW” in 2014. These could be traced to machines originally manufactured and put on the market in Malaysia and China by the 3rd plaintiff or its subsidiaries in 2014, and were not intended for any market outside those countries.<sup>67</sup> Offending Machines 4, 5 and 6 had their conditions altered from the original machines: *inter alia*, the firmware had been altered and the print-speed configuration had been altered to an increased setting.

### *Copyright infringement*

36 In respect of copyright infringement, the plaintiffs pleaded:<sup>68</sup>

- (a) primary infringement pursuant to s 26(1)(a)(v) of the Copyright Act by the making of an unlicensed adaptation of the plaintiffs’ software/firmware;

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<sup>66</sup> SOC at paras 16, 18, 24, 26, 32 and 34.

<sup>67</sup> SOC at para 24(d).

<sup>68</sup> SOC at para 41.

(b) secondary infringement pursuant to s 32 of the Copyright Act, by importing an article into Singapore for the purpose of selling, letting for hire, offering or exposing for sale or hire, distributing it *etc* without the licence of the 3rd plaintiff when it knew or ought reasonably to have known that the making of the article was carried out without the consent of the 3rd plaintiff; and

(c) secondary infringement pursuant to s 33 of the Copyright Act, by selling, letting for hire, offering or exposing for sale or hire *etc* without the licence of the 3rd plaintiff when it knew or ought reasonably to have known that the making of the article was carried out without the consent of the 3rd plaintiff.

37 Lastly, the plaintiffs pleaded their reliance on s 260 of the Copyright Act, alleging that the defendant had:<sup>69</sup>

(a) knowingly removed or altered the rights management information embodied in the software/firmware without the 3rd plaintiff's consent when it knew or ought reasonably to have known that the removal or alteration of the said rights management information would induce, enable, facilitate or conceal an infringement;

(b) distributed or imported for distribution the said rights management information which had been altered without the 3rd plaintiff's consent, when the defendant knew that such alteration had been done without the 3rd plaintiff's consent and when the defendant knew or ought reasonably to have known that the distribution or

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<sup>69</sup> SOC at para 43.

importation of the altered rights management information would induce, enable, facilitate or conceal an infringement; and

(c) distributed or imported for distribution copies of computer software/firmware in respect of which the rights management information had been removed or altered without the 3rd plaintiff's consent, when the defendant knew that such removal or alteration had been done without the 3rd plaintiff's consent and the defendant knew or ought reasonably to have known that the distribution or importation of the altered rights management information would induce, enable, facilitate or conceal an infringement.

***The defendant's case***

38 First, the defendant claimed that those of its photocopiers, printers and facsimile machines which bore the mark "ApeosPort" were imported into Singapore as parallel imports and that it was therefore entitled to rely on s 29(1) of the Trade Marks Act.<sup>70</sup> In response to the plaintiffs' passing off claims, the defendant also raised the argument that these machines were parallel imports purchased from third party suppliers.<sup>71</sup>

39 Next, the defendant claimed that the "ApeosPort" mark found on all its advertisements, catalogues and other commercial documents was "used to indicate the kind, quality, quantity, intended purpose or other characteristic of the photocopiers or any products bearing the mark "ApeosPort", and that such use of the "ApeosPort" mark was "in accordance with honest practices in

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<sup>70</sup> Defence at para 10.

<sup>71</sup> Defence at paras 27 and 37.



industrial or commercial matters” for the purposes of s 28(1) of the Trade Marks Act.<sup>72</sup>

40 As for the plaintiffs’ claims of copyright infringement, the defendant’s position was that it was not required to check or to know about the software installed in the machines it dealt with, nor did it have the technical know-how or means to modify any software/firmware. It denied making any adaption of the software/firmware or authorising anyone to do so, and said that it had no knowledge of – and no reason to know of – whether the adaptation was made and whether the article was made without the 3rd plaintiff’s consent. Lastly, the defendant alleged that the 3rd plaintiff had exhausted its rights to any copyright allegedly subsisting in the software/firmware when the machines containing that software/firmware were first put in the market by the 3rd plaintiff.<sup>73</sup>

### **The issues to be determined**

41 The following issues arose for my determination:

- (a) Whether the defendant had infringed the registered trade mark “ApeosPort”;
- (b) Whether the defendant had passed off the “ApeosPort”, “DocuCentre” and “Fuji Xerox” marks as its own marks; and
- (c) Whether the defendant had infringed copyright under ss 32, 33 and/or 260 of the Copyright Act.

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<sup>72</sup> Defence at para 10.

<sup>73</sup> Defence at para 46.

### **Infringement of the registered “ApeosPort” mark**

42 I address first the plaintiffs’ claim against the defendant for infringement of the registered trade mark “ApeosPort”, in relation to Offending Machines 1, 2 and 3.

#### ***Section 27(1) of the Trade Marks Act***

43 In order to establish the claim under s 27(1) of the Trade Marks Act, the plaintiffs have to prove that not only are their registered “ApeosPort” mark and the defendant’s mark identical, but that the goods in question are also identical. Similarity in either aspect is not enough: anything less than complete identity will fail to satisfy the strict requirement of “double identity” under s 27(1) (*see eg* the judgment of the Court of Appeal (the “CA”) in *City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier* [2010] 1 SLR 382 (“*City Chain Stores*”) at [39]).

44 I found that although the plaintiffs’ “ApeosPort” mark and the mark used by the defendant were clearly identical, the parties’ photocopiers and other machines were not. The plaintiff’s counsel stated in the course of the trial that “[the defendant] is not selling the exact same machine because they have been modified.”<sup>74</sup> This was also attested to by the defendant’s director, Poh Beng Leong (“Poh”).<sup>75</sup> On the evidence adduced, it appeared that there were differences between the physical nature of the plaintiffs’ machines and the defendant’s, including up-speeding of machines, installation of step-down

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<sup>74</sup> Transcript, 7 January 2021 at p 67, lines 10–11.

<sup>75</sup> Transcript, 7 January 2021 at p 52, lines 11–13.

transformers, and replacement of original serial numbers with false serial numbers.<sup>76</sup>

45 In light of what the plaintiffs and the defendant both said, I did not find that the “double identity” required by s 27(1) of the Trade Marks Act had been established.

***Section 27(2) of the Trade Marks Act***

46 In the alternative, the plaintiffs relied on s 27(2) of the Trade Marks Act. Under s 27(2), it is enough for the plaintiffs to show that their registered mark is identical with or similar to the defendant’s mark, and that the defendant’s mark is used in relation to goods that are identical with or similar to those for which the plaintiffs’ trade mark was registered.

47 On the evidence adduced, including the various investigative reports put forward by the plaintiffs, I was satisfied that the plaintiffs were able to prove that their registered “ApeosPort” mark was identical with the mark used by the defendant; that the machines in question were similar, even if not identical; that the defendant was using its mark in the course of trade, *ie* as a badge of origin and not merely for descriptive purposes as it claimed in its amended defence; that the defendant was acting without the consent of the trade mark owner (the 3rd plaintiff); and that taking into account all the circumstances of the case, there existed a likelihood of confusion on the part of members of the public as to the origin of the machines.

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<sup>76</sup> SOC at para 9(d).

48 First, the registered “ApeosPort” mark was clearly identical with the mark used by the defendant and the defendant admitted to using the “ApeosPort” mark in the course of trade.<sup>77</sup> This was also acknowledged in cross-examination by Poh, who stated that the defendant used the name “ApeosPort” because the machines “were named like this” and the defendant “just followed” to “call it by such because the machine is as such”.<sup>78</sup>

49 Second, as to similarity of goods, section 27(2)(a) of the Trade Marks Act requires similarity between the goods or services for which the offending sign is used and those for which the trade mark is registered. In *Sarika Connoisseur Cafe Pte Ltd v Ferrero SpA* [2013] 1 SLR 531 (“*Sarika*”), the appellant was sued by the respondent for infringement of the latter’s “Nutella” trade marks; in particular, the “Nutella” word mark in Class 30 of the International Classification Goods and Services in Singapore (“ICGS”). The respondent brought suit after the appellant introduced a gourmet coffee beverage, under the “Nutello” sign, which was made with ingredients that included the cocoa-based hazelnut spread marketed by the appellant under the brand name “Nutella”. The CA held that for the purpose of determining similarity of goods under section 27(2)(b) of the Trade Marks Act, the court needed to compare the appellant’s product not only with the actual Nutella product (*ie* the Nutella hazelnut spread), but also with the specification of the registration (*ie* “chocolate products”) (at [52]). In making a comparison between the appellant’s “Nutello” beverage and the “chocolate products” registration specification, the CA held that although the appellant’s “Nutello” beverage was

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<sup>77</sup> Defence at para 10.

<sup>78</sup> Transcript, 6 January 2021 at p 51, lines 6–10; Transcript, 7 January 2021 at p 67, lines 3–7.

introduced as a hot coffee beverage, it could be considered to fall within the “chocolate products” specification in view of evidence that various consumers had commented on its chocolate nature (at [53]).

50 In the present case, there was no dispute between the parties as to the similarity between the defendant’s Offending Machines and the products in the registration specification in which the “ApeosPort” trade mark is registered (which includes facsimile machines, printers for use with computers and computer software *etc*).

51 As for the comparison between the Offending Machines and the plaintiff’s actual goods, the original machines and the Offending Machines were both for the same use of photocopying, and the users of the original machines were in Japan, while the users of the Offending Machines were different parties in Singapore. I also found that Offending Machines 1, 2 and 3 were of a similar physical nature to the original machines. Ms Yasuda’s September 2018 Investigation Report (see [29] above) found *inter alia* that each of these machines bore different machine labels from the original machine, had modified serial numbers, and were installed with step-down transformers. Despite these modifications, however, the Offending Machines still had the same characteristics and features as the original machines: *eg* like the original machines, they had a serial number, product code, and machine name, although these were modified, and they had the same components as the original machines, *eg* a fuser assembly, although the genuine labels had been removed from those components.<sup>79</sup> The trade channels by which the original machines and the Offending Machines reached the market were of course different; the

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<sup>79</sup> AB Vol 6 at pp 1363, 1372 and 1383.

original machines were sold or leased by the plaintiffs to users in Japan, while the Offending Machines were sold by the defendant, who was not an authorised dealer of Fuji Xerox Equipment, to users in Singapore. Lastly, the defendant’s sale of these machines made it a “direct competitor[.]” of the plaintiffs”, as stated by Poh himself.<sup>80</sup>

52 Overall, I found that Offending Machines 1, 2 and 3 were similar to the original machines. The fact that the users and trade channels for the Offending Machines differed from the users and trade channels for the original machines did not detract from my conclusion: in my view, this did not arise from the fact that the Offending Machines were dissimilar to the original machines, but from the defendant’s own acts of selling the Offending Machines to users in Singapore when the plaintiffs had never authorised these machines for sale in Singapore in the first place.<sup>81</sup>

53 Third, the defendant admitted in its Defence that it had been using the “ApeosPort” mark in the course of trade, including in advertising on its website and in its catalogues.<sup>82</sup> This was evidenced by the printouts and screenshots of the defendant’s website, which showed it offering machines for sale, lease or rent under the name “ApeosPort”.<sup>83</sup> The defendant’s website also stated, *inter alia*, that its “major products supplied include the FUJI Xerox ApeosPort series”.<sup>84</sup>

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<sup>80</sup> Transcript, 7 January 2021 at p 54, lines 1–4.

<sup>81</sup> Yasuda AEIC at para 49.

<sup>82</sup> Defence at para 10.

<sup>83</sup> AB Vol 5 at pp 1288–1290 (2 October 2017); AB Vol 9 at p 2273 (29 July 2019).

<sup>84</sup> AB Vol 9 at p 2271.

54 Fourth, I found that the defendant was using the “ApeosPort” mark in the course of trade without the consent of the 3rd plaintiff. Poh admitted this under cross-examination: “I didn’t get permission [from Fuji Xerox] because I will not be able to get permission from them.”<sup>85</sup>

55 Lastly, on the element of likelihood of confusion, I note that the CA has made it clear that evidence of actual confusion is not required, and that the question of whether there is likely to be confusion is “ultimately one for the court rather than for witnesses” (*Hai Tong Co (Pte) Ltd v Ventree Singapore Pte Ltd and another and another appeal* [2013] 2 SLR 941 (“*Hai Tong*”) at [99]). In *Hai Tong*, which was a case involving *inter alia* a claim of secondary trade mark infringement under section 27(2)(b) of the Trade Marks Act, the CA noted that “finding and producing actual evidence of confusion may be difficult as members of the public are generally reluctant to attend proceedings in court”, and held that “while evidence of actual confusion can be very helpful, its absence should not be accorded undue significance” (at [100]). In assessing the likelihood of confusion, there are “three specific elements that plainly must be considered” (at [85(c)], in view of the express terms of section 27(2):

... These are: (i) the similarity between the registered mark and the allegedly infringing mark; (ii) the similarity or identity between the goods or services in relation to which the marks are used; and (iii) the relevant segment of the public in relation to whom the court must consider the likelihood of confusion. Each of these elements can vary. The marks may be identical or similar, and if the latter, they can vary in their degree of similarity. In the same way, the goods or services in relation to which the marks are used may be identical or similar, and again, if the latter, they may vary in the degree or extent to which they are similar. In assessing the degree of similarity, it may be appropriate to have regard to steps that have been taken to differentiate the goods or services. And as to the relevant segment of the public, there may be characteristics that are

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<sup>85</sup> Transcript, 7 January 2021 at p 63, lines 29–31.

particular to the group in question. Each of these factors will have a bearing on the likelihood of confusion. As an illustrative proposition, the likelihood of confusion must be greater where, say, the contesting marks are similar to a high degree, the goods are identical in nature and the segment of the public in question is undistinguished in its attention than would be the case if the marks and the goods are somewhat similar but not exceedingly so, and the relevant segment of the public happens to be highly knowledgeable and very fastidious. ...

56 In the present case, the marks used by the plaintiff and the defendant were identical, and their machines were highly similar. As to the relevant segment of the public, I did not think there was any real dispute that this would mainly be comprised of businesses and commercial entities requiring office equipment of a not particularly specialised nature: the machines in question are not, after all, sophisticated scientific or medical equipment or specialised tools. It did not appear to me that the relevant segment of the public in this case would be “highly knowledgeable and very fastidious”. In the circumstances, I found that the likelihood of confusion would be high.

57 Given that the competing marks were identical and the competing goods sufficiently similar such that having regard to the characteristics of the likely consumer, there would be a likelihood of confusion, it was not necessary – and indeed, it would not be permissible – to have regard to yet further extraneous considerations that might have the effect of diminishing the likelihood of confusion: *per* the CA in *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc and another and another appeal* [2014] 1 SLR 911 (at [85]–[86]).

58 For the reasons set out above at [46] to [57], I was satisfied that the plaintiffs had made out their case of infringement of the “ApeosPort” mark under section 27(2)(a) of the Trade Marks Act.



***Section 28(1) of the Trade Marks Act: Descriptive marks***

59 In arriving at these conclusions, I considered the defendant’s attempt to invoke s 28(1) of the Trade Marks Act. The defendant submitted that its use of the “ApeosPort” mark on advertisements and other commercial document was “in a purely descriptive manner” in relation to the series and model of the machines to better enable the machines to be distinguished and identified, that its use of the “ApeosPort” mark was in accordance with honest practices to indicate to the public that it sold, repaired or maintained certain machines and that it had never informed customers it was an authorised reseller of the plaintiffs’ or that it was in any way connected to the plaintiffs.<sup>86</sup>

60 I found the defendant’s reliance on s 28(1) to be entirely baseless and without merit.

61 First, it was telling that even in its amended Defence, the defendant pleaded its reliance on s 28(1) in the broadest and vaguest of terms, without even trying to particularise those characteristics of its machines which it claimed the mark was descriptive of. It merely asserted that the mark “ApeosPort” was used to indicate the kind, quality, quantity, intended purpose or other characteristic of the products bearing the mark “ApeosPort”.<sup>87</sup>

62 Second, in the evidence put forward by the defendant, there was similarly no coherent effort to flesh out its attempt to invoke s 28(1).

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<sup>86</sup> Defendant’s Closing Submissions dated 26 February 2021 (“DCS”) at paras 100, 104–106.

<sup>87</sup> Defence at para 10.

63 Third, as the plaintiffs pointed out, “ApeosPort” is an invented set of words: it is difficult, if not impossible, to see how it is descriptive of a characteristic such as kind, quality, quantity, or intended purpose.<sup>88</sup> In any event, the defendant appeared to me to have made little – if any – genuine effort to substantiate its purported reliance on s 28(1) of the Trade Marks Act. In fact, the defendant stated in its written submissions that it did not dispute the plaintiff’s “ApeosPort” mark was distinctive.<sup>89</sup> Having accepted this, and having stated that it was using the mark to “better enable the machines to be distinguished and identified”, the defendant could not maintain that its use of the mark was “purely descriptive in nature”.

64 Lastly, having invoked s 28(1), the defendant also had the onus of satisfying me that its allegedly descriptive use of the “ApeosPort” mark was “in accordance with honest practices in industrial or commercial matters”. In this connection, the CA has held in *The Audience Motivation Company Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 (“*AMC Live*”) that the “honest practices” proviso “calls for an objective inquiry that examines and assesses the defendant’s conduct in the light of standards and practices commonly applied in the business or industry”, while at the same time also examining “whether the particular motivations and intentions of the defendant were honest”. In its judgment, the CA emphasised that “as an evidentiary matter, each element must be weighed, on a balance of probabilities, on the basis of a reasonable evaluation of the evidence and not on the subjective and inevitably self-serving pronouncements of the defendant” (at [57]). That last reminder by the CA is highly useful in this case because, on the subject of “honest practices”,

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<sup>88</sup> Plaintiff’s Closing Submissions dated 26 February 2021 (“PCS”) at paras 9 and 32.

<sup>89</sup> DCS at para 111.

the defendant also failed entirely to adduce any evidence, let alone any credible evidence. I would add that Poh’s bare assertions about industry practice counted for nothing<sup>90</sup> as they plainly fell into the category of “subjective and inevitably self-serving pronouncements of the defendant”.

***Section 29(1) of the Trade Marks Act: Parallel imports defence***

65 As to the defendant’s attempt to invoke s 29(1) of the Trade Marks Act, I found this to be equally baseless and without merit.

***The parties’ submissions***

66 The defendant submitted that Offending Machines 1, 2 and 3 were parallel imports, and that accordingly it could rely on the defence under s 29(1) of the Trade Marks Act.<sup>91</sup> Section 29 states:

**Exhaustion of rights conferred by registered trade mark**

**29.**—(1) Notwithstanding section 27, a registered trade mark is not infringed by the use of the trade mark in relation to goods which have been put on the market, whether in Singapore or outside Singapore, under that trade mark by the proprietor of the registered trade mark or with his express or implied consent (conditional or otherwise).

(2) Subsection (1) does not apply where —

(a) the condition of the goods has been changed or impaired after they have been put on the market; and

(b) the use of the registered trade mark in relation to those goods has caused dilution in an unfair manner of the distinctive character of the registered trade mark.

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<sup>90</sup> See eg Transcript, 6 January 2021 at p 56, lines 19–28; Transcript, 7 January 2021 at p 26, lines 9–20 and p 52, line 29–p 53, line 19.

<sup>91</sup> DCS at para 49.

67 The defendant argued that Offending Machines 1, 2 and 3 had been put on the market by the 3rd plaintiff or with its express or implied consent,<sup>92</sup> and that the plaintiffs had not provided evidence of changes to the conditions of these machines after they had been put on the market.<sup>93</sup> While the defendant accepted that the original Japanese-language front operation panel and precautions label had been removed and replaced with a non-original English language panel and label, and that rear data plates bearing, *inter alia*, the original serial number had been removed and a step-down transformer had been incorporated, it said there was no clear evidence that the firmware, print-speed configuration, and rights managements information had been altered.<sup>94</sup> The defendant argued that the plaintiffs had incorrectly determined the original conditions of these machines by deriving the serial number from replaceable and interchangeable parts of the Offending Machines such as the fuser assembly, and that it was possible that the fuser assembly components on these machines were not original parts but had come from other machines.<sup>95</sup> Lastly, it submitted that the use of the “ApeosPort” mark had not caused dilution in an unfair manner either by “blurring” or “tarnishment”.<sup>96</sup>

68 The plaintiffs, for their part, submitted that the defendant traded in machines where the conditions were extensively changed or altered after they were first put on the market.<sup>97</sup> No independent third party had acquired the right of disposal of the plaintiffs’ goods in the market where the machines were put:

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<sup>92</sup> DCS at paras 52, 56–57.

<sup>93</sup> DCS at para 59.

<sup>94</sup> DCS at para 61.

<sup>95</sup> DCS at paras 66–67.

<sup>96</sup> DCS at paras 83 and 85.

<sup>97</sup> PCS at para 237.

for used Fuji Xerox Equipment, once the machines were withdrawn from the market, they were to be destroyed.<sup>98</sup> The defendant offered no evidence at all that its alleged suppliers had acquired the right of disposal of the plaintiffs' goods in the market where the machines were put.<sup>99</sup>

*The law*

69 Under section 29(1) of the Trade Marks Act, goods are “put on the market” when an “independent third party has acquired the right of disposal of the goods bearing the trade mark”, and this must be an act that simultaneously allows the proprietor of the trade mark to realise the commercial or economic value of the trade-marked goods, and deprives him of the right to control the subsequent exploitation of the goods. Such an act includes, but is not limited to, a sale of the goods by the proprietor to the third party (*Samsonite IP Holdings Sarl v An Sheng Trading Pte Ltd* [2017] 4 SLR 99 (“*Samsonite*”) at [100]). The goods must have been first put on the market with the consent of the proprietor of the trade mark. Even if the proprietor’s consent to the first putting on the market is conditional and not unqualified, it will still be treated as valid consent under s 29(1) of the Trade Marks Act (*Samsonite* at [140]).

*Applying the law to the facts*

70 I found the defendant’s account of the sources from which it allegedly acquired its machines as parallel imports to be glib, riddled with inconsistencies, and frankly unbelievable.

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<sup>98</sup> PCS at para 238.

<sup>99</sup> PCS at para 239.

(1) The defendant’s lack of supplier information and purchase orders

71 First, I found it highly suspicious – and quite telling – that despite its repeated claims about being a genuine parallel importer, the defendant gave discovery of only a very small number of documents allegedly related to its purchase and importation of the machines – none of which I found in the least credible or helpful in shoring up its defence of parallel imports. Poh’s various explanations under cross-examination only added to these suspicions. For example, Poh claimed that he had communicated with the suppliers via WhatsApp messages – but no such WhatsApp messages were disclosed. This total lack of supporting evidence was then said by Poh to be due to his having changed his mobile number and his purported ignorance that “such messages could be used or disclosed”.<sup>100</sup> When asked to disclose the identity of the defendant’s current supplier, Poh was evasive: he would not disclose any supplier details and would only say that the defendant had stopped purchasing Fuji Xerox photocopiers in 2019. He even claimed that he “did not import but [he] had businesses with local leasing companies like Oryx and Ethos” and would “purchase when it’s necessary” – a claim which had never been mentioned in his AEIC.<sup>101</sup>

72 Further, when asked to describe how the defendant would conduct the “detailed supplier evaluations” mentioned in his AEIC,<sup>102</sup> Poh’s reply was:<sup>103</sup>

I don’t know how to answer. In the normal circumstances, the suppliers will come through referrals. We will establish contact and then give them a contract with a small-scale purchase, and

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<sup>100</sup> Transcript, 6 January 2021 at p 44, lines 15–17.

<sup>101</sup> Transcript, 6 January 2021 at p 72, line 32–p 73, line 20.

<sup>102</sup> Poh AEIC at para 9.

<sup>103</sup> Transcript, 6 January 2021 at p 51, line 31–p 52 line 3.

then verify that the company is existent, and then pay them.  
That's about it.

Having made these claims about giving potential suppliers “a contract with a small-scale purchase”, Poh then claimed that he had not disclosed any documentation in respect of these “supplier evaluations” because he “didn’t know that this small trial order had to be disclosed”.<sup>104</sup> Poh’s excuses were unbelievable because the court order dated 7 August 2019 in HC/SUM 3440/2019 specifically ordered the defendant to give discovery of “all correspondences between the supplier(s) and PTC” and “invoices between the supplier(s) and PTC”.

73 Despite being one of the defendant’s directors, and, on his own evidence, the person who oversaw the defendant’s business operations,<sup>105</sup> Poh was similarly unable to give a coherent explanation of whether, when the defendant ordered Fuji Xerox photocopiers, it had issued documentary purchase orders – or not. Initially, Poh asserted that there “ought to be documents when purchasing Fuji Xerox copiers”. After making this assertion, however, he quickly backpedaled and said: “Sometimes we would not use purchase orders. In fact, we don’t use purchase orders, because we would discuss, and then come to an agreement...”<sup>106</sup>

74 I found Poh to be a shifty and deceitful witness. His inability to give any coherent evidence about the defendant’s supplier information and its operations was highly damaging to the credibility of its parallel importing claim. This

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<sup>104</sup> Transcript, 6 January 2021 at p 53, line 13.

<sup>105</sup> Poh AEIC at para 5; Supplementary AEIC of Poh dated 28 July 2020 (“Poh Supplementary AEIC”) at para 19.

<sup>106</sup> Transcript, 6 January 2021 at p 58, lines 22–23 and p 58 line 31–p 59 line 2.

impression was only strengthened by Poh’s evidence on each of the Offending Machines.

(2) Evidence on Offending Machines 1, 2 and 3

75 The defendant allegedly bought Offending Machines 1, 2 and 3 on 5 February 2016, 4 March 2016 and 13 May 2016 respectively from Digital Junction OA Solution (“Digital Junction”), a Malaysian company – as can be seen from the invoices and payment vouchers.<sup>107</sup> However, as attested to by Ms Batchelor,<sup>108</sup> and as shown by the company searches, there were no company or business records to be found for Digital Junction.<sup>109</sup> Poh admitted that he also had not found any company registry records for Digital Junction, although he insisted – without offering any reasons – that “[b]y me not finding about the company, it does not mean that the company does not exist”.<sup>110</sup>

76 The plaintiffs also referred to several invoices dated 9 October 2014, 21 November 2015, 4 May 2017 and 6 November 2017 from Fortune OA Solution (“Fortune OA”), which – based on the address on the invoice – was apparently located next door to Digital Junction.<sup>111</sup> Based on the Malaysian company registration documents, Fortune OA was registered on 6 April 2015, and the registration expired on 5 April 2018.<sup>112</sup> Poh conceded that this meant Fortune

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<sup>107</sup> AB Vol 21 at pp 5615–5616 (February 2016), 5617–5618 (March 2016) and 5619–5620 (13 May 2016); Transcript, 6 January 2021 at p 62, lines 4–10.

<sup>108</sup> Transcript, 15 July 2020 at p 19, lines 31–32.

<sup>109</sup> AB Vol 30 at p 8101; Transcript, 7 January 2021 at p 9, lines 16–20.

<sup>110</sup> Transcript, 6 January 2021 at p 69, lines 7–13.

<sup>111</sup> AB Vol 21 at pp 5611–5612 (9 October 2014), 5613–5614 (21 November 2015), 5621–5622 (4 May 2017) and 5623–5624 (6 November 2017); compare address with AB Vol 21 at p 5615.

<sup>112</sup> AB Vol 9 at p 2268.



OA was not officially registered in Malaysia at the time the defendant purportedly transacted with it in 2014, but claimed that he “didn’t take note” of this at the time.<sup>113</sup>

77 Again, I found Poh’s evidence about Digital Junction and Fortune OA to be entirely unbelievable, especially considering his own testimony that part of the defendant’s “supplier evaluations” involved “verify[ing] that the company is existent”.<sup>114</sup> I did not accept that Digital Junction and Fortune OA were legitimate third-party suppliers from whom the defendant had purchased the machines.

78 Poh was also referred to several invoices from Nagatomo Co Ltd (“Nagatomo”), a Japanese company, which he claimed had sold some items to Quest Tech International (“Quest Tech”), a Singapore company, which had in turn sold them to the defendant.<sup>115</sup> Poh was referred to a Nagatomo invoice to Quest Tech with a printed date of 26 November 2013 and a handwritten date of 17 December 2013 (which showed that a total of \$16,559.30 was paid by Quest Tech to Nagatomo<sup>116</sup>), as well as a corresponding Quest Tech invoice to the defendant dated 17 December 2013 (which showed that a total of \$16,559.30 was paid to Quest Tech by the latter).<sup>117</sup> There was also another invoice from Nagatomo to Quest Tech with a printed date of 21 April 2014 and a handwritten date of 9 May 2014, showing that Quest Tech paid Nagatomo \$86,475.60,<sup>118</sup>

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<sup>113</sup> Transcript, 6 January 2021 at p 74, line 14.

<sup>114</sup> Transcript, 6 January 2021 at p 52, line 2.

<sup>115</sup> Transcript, 6 January 2021 at p 75, lines 14–15; p 76, lines 12–15.

<sup>116</sup> AB Vol 23 at p 6077.

<sup>117</sup> AB Vol 21 at p 5609.

<sup>118</sup> AB Vol 23 at p 6078.

and a corresponding invoice from Quest Tech to the defendant dated 9 May 2014, showing the latter had paid \$86,475.60 to Quest Tech.<sup>119</sup> It was evident from a comparison of the invoices that Quest Tech had not made any profit from either transaction, since PTC paid Quest Tech exactly the same amount as the amount paid by Quest Tech to Nagatomo.

79 When asked if he agreed that Quest Tech had not made any profit at all from these transactions, Poh’s reply was again revealing in its evasiveness:<sup>120</sup>

A: That could be the case. What I can imagine is that sometimes a customer made---might have made an order, but in the end decided not to carry on with the order. So *they just decided to sell the machines*.

Ct: *Who decides just to sell the machine? Who are you talking about?*

A: *I don’t know.*

[emphasis added]

It was only when Poh was pressed further in cross-examination that it emerged that Quest Tech was actually a company set up by his wife Png Beng Kuan (“Png”) and her friend, and that his wife Png had also become a director of the defendant on 27 April 2015.<sup>121</sup> Astonishingly, Poh had not seen fit to disclose in his AEIC that the director of Quest Tech was his wife.<sup>122</sup>

80 Poh’s belated admission in cross-examination about Quest Tech having been established by his wife supported the inference that Quest Tech was – as

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<sup>119</sup> AB Vol 21 at p 5610.

<sup>120</sup> Transcript, 6 January 2021 at p 77, lines 4–9.

<sup>121</sup> Transcript, 6 January 2021 at p 78, line 6–p 79, line 1.

<sup>122</sup> Transcript, 6 January 2021 at p 78, line 25–p 79, line 1; Poh Supplementary AEIC at para 19; AB Vol 30 at pp 8097–8098.

the plaintiffs’ counsel put it – a “puppet” for the defendant.<sup>123</sup> As Poh himself said (rather ironically): “If PTC were the real purchasers, then Nagamoto [*sic*] could have just directly issued invoices to PTC. Why go through Quest Tech?”<sup>124</sup> Plainly, the defendant went through Quest Tech to obfuscate its shady dealings in respect of the Offending Machines. As with Digital Junction and Fortune OA, therefore, I rejected the defendant’s assertion that Quest Tech was a legitimate third-party supplier.

(3) Whether goods had been put on the market with the plaintiffs’ consent

81 Having regard to my assessment of the evidence adduced, I rejected the defendant’s assertion that Offending Machines 1, 2 and 3 had been put on the market under the “ApeosPort” mark with the express or implied consent of the plaintiffs (s 29(1) of the Trade Marks Act).

82 First, for the reasons set out in [71] to [80] above, I did not believe that the defendant’s alleged suppliers even existed at the time the defendant purportedly transacted with them. If they were not in existence, then they could not have been the “independent third parties” who “acquired the right of disposal” of the relevant Offending Machines (*Samsonite* at [100]). I also did not accept that the defendant’s purported suppliers had done any acts to allow the plaintiffs to realise the commercial or economic value of the machines. It was not shown, for instance, that the plaintiffs had sold Offending Machines 1, 2 and 3 to these alleged suppliers for a profit (*Samsonite* at [104]).

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<sup>123</sup> Transcript, 6 January 2021 at p 78, lines 4–5; AB Vol 30 at pp 8097–8098.

<sup>124</sup> Transcript, 6 January 2021 at p 79, lines 10–11.

83 Second, the plaintiffs clearly did not consent to Offending Machines 1, 2 and 3 being diverted to the defendant (*Samsonite* at [142]). In this regard, the restrictions imposed by the plaintiffs were highly relevant to determining the relevant market, and the question of consent (express or implied) must be related to the market (*Samsonite* at [146]). In the present case, the plaintiffs' account was that Offending Machines 1, 2 and 3 were originally sold or leased in Japan; none of them were authorised for sale in Singapore (see [14] above).<sup>125</sup> Ms Yasuda similarly testified that sales offices and authorised dealers of Fuji Xerox Equipment were not permitted to sell their machines beyond their own countries.<sup>126</sup> Ms Batchelor also testified:<sup>127</sup>

... So majority of our machines, once when the customer returns or if we upgrade to a higher machine, *the machines are taken back and disposed of*. But for certain---if there is a requirement for these machines to be refurbished, we have a very high, stringent standard and quality to meet to refurbish the machines that we think can be or would be refurbished. But our policy mer---*is to actually dispose the machines*.

[emphasis added]

Based on the restrictions imposed by the plaintiffs, I found that the putting of the goods on the market did *not* occur when the plaintiffs supplied Offending Machines 1, 2 and 3 to their authorised dealers in Japan: the plaintiffs could, and did, legitimately impose restrictions on its Japanese dealers as to how the machines were to be distributed (*Samsonite* at [146]). Nor could it be said that the machines were put on the market when they came into the hands of the defendant's alleged suppliers, since (as I have said earlier) there was no evidence that these alleged suppliers were legitimate independent third parties

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<sup>125</sup> AB Vol 6 at p 1356; Yasuda AEIC at para 49.

<sup>126</sup> Transcript, 5 January 2021 at p 9, lines 24–25.

<sup>127</sup> Transcript, 15 July 2020 at p 11, line 27–p 12, line 2.

who had acquired the right of disposal of the goods, nor evidence that profits from these transactions were passed on to the plaintiffs as the proprietor of the “ApeosPort” mark (*Samsonite* at [104]).

84 In the circumstances, I found that the defendant could not rely on the defence of parallel imports under s 29(1) of the Trade Marks Act in relation to Offending Machines 1, 2 and 3.

*Section 29(2) of the Trade Marks Act*

85 Further, even if Offending Machines 1, 2 and 3 had been put on the market, I accepted the plaintiffs’ evidence about the changes made to the Offending Machines; and I was satisfied that the proviso in s 29(2) would apply so as to preclude the defendant from relying on s 29(1) of the Trade Marks Act in relation to Offending Machines 1, 2 and 3. I accepted that the condition of these machines had been changed after they had been put on the market, and the use of the “ApeosPort” mark in relation to those goods had caused dilution in an unfair manner of the distinctive character of the registered “ApeosPort” mark.

(1) The condition of Offending Machines 1, 2 and 3 had been changed

86 First, as noted earlier, the defendant did not dispute that the original Japanese-language front operation panel and precautions label had been removed and replaced with a non-original English-language panel and label, that rear data plates bearing, *inter alia*, the original serial number had been removed, and that a step-down transformer had been incorporated. The defendant sought to argue, however, that there was no clear evidence that the

firmware, print-speed configuration, and rights managements information had been altered.<sup>128</sup>

87 In this regard, the defendant submitted that the plaintiffs’ investigative methods were unreliable. The plaintiffs had ascertained the original information of Offending Machines 1 and 2 with reference to the barcodes found on the fuser assembly, while for Offending Machine 3, this was ascertained with reference to the barcodes on the power supply board assembly.<sup>129</sup> In gist, the defendant argued that the plaintiffs had incorrectly determined the original conditions of these machines by deriving the serial number from replaceable and interchangeable parts of the Offending Machines: it was possible (or so the defendant claimed) that these were not original parts but came from other machines.<sup>130</sup>

88 In respect of Offending Machine 1, the defendant’s counsel suggested during the trial that the “fuser assembly” or “heater unit” from another machine (the “Saitama Machine”) had been placed into Offending Machine 1, and that the Saitama Machine had been destroyed.<sup>131</sup> Counsel also suggested that since Ms Yasuda had not requested for the scrapping records of the Saitama Machine, and there was no report of any thefts, the Saitama Machine must have been decommissioned and destroyed.<sup>132</sup> I did not see any evidential basis for this

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<sup>128</sup> DCS at paras 60–61.

<sup>129</sup> AB Vol 6 at pp 1363, 1372 and 1384; Yasuda AEIC at paras 58, 73, 89 (for Offending Machines 1, 2 and 3), 107, 119 and 133 (for Offending Machines 4, 5 and 6); Transcript, 5 January 2021 at p 21, lines 15–18.

<sup>130</sup> DCS at paras 66–67.

<sup>131</sup> Transcript, 5 January 2021 at p 27, lines 9–25; DCS at paras 186 and 188.

<sup>132</sup> Transcript, 5 January 2021 at p 25, line 11–p 26, line 10.

suggestion. While the defendant argued that it was “possible” that the fuser assembly on the Saitama Machine had been removed and attached to Offending Machine 1,<sup>133</sup> this was mere speculation on its part. Further, Ms Yasuda testified that Fuji Xerox and its dealers would use “brand new” parts for any replacement,<sup>134</sup> and that while it was physically possible to swap the fuser assemblies of two identical machines, this was not a practice that was recognised.<sup>135</sup> I found that the findings in the September 2018 Report in respect of Offending Machine 1 were reliable: *ie*, the product name for Offending Machine 1 had in fact been changed from AP4C2270 to AP4C3370, the product code had been changed from NC100342 to NC500341, and the serial number had been changed from 788168 to 855300.<sup>136</sup>

89 As for Offending Machine 2, the defendant’s counsel suggested that the “heater unit” in the machine, also known as the fuser assembly unit, had in fact been changed by the defendant. He referred to a service history report dated 4 April 2018 that stated “REPLACED HEATER UNIT”.<sup>137</sup> However, as Ms Yasuda pointed out, there was no indication whether the “HEATER UNIT” mentioned in the report was in fact the fuser assembly which the plaintiffs referred to in deriving the machine’s original information.<sup>138</sup> The technician who was said to have replaced this heater unit was not called as a witness by the defendant.<sup>139</sup> As Poh himself acknowledged, “many components [in the Fuji

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<sup>133</sup> DCS at paras 67 and 188–189.

<sup>134</sup> Transcript, 5 January 2021 at p 19, lines 22–32.

<sup>135</sup> Transcript, 4 January 2021 at p 22, lines 7–15.

<sup>136</sup> AB Vol 6 at p 1356.

<sup>137</sup> AB Vol 10 at p 2469.

<sup>138</sup> Transcript, 5 January 2021 at p 42, lines 17–30.

<sup>139</sup> Transcript, 7 January 2021 at p 59, lines 28–30.

Xerox Equipment] are related to heaters”.<sup>140</sup> Lastly, as the plaintiffs pointed out, this was also an admission by the defendant that it had indeed changed components in Offending Machine 2.<sup>141</sup> In the circumstances, I accepted the plaintiffs’ findings in the September 2018 Report that the product name had indeed been changed from DC4C4475 to AP4C4475 (*ie* it was changed from a DocuCentre machine to an ApeosPort machine), and the serial number had been changed from 310612 to 302040.<sup>142</sup>

90 Finally, for Offending Machine 3, the defendant conceded that referring to the barcodes on the Power Supply Board Assembly was a reliable method of investigation, as this was a part that was not easily interchangeable or subject to common wear-and-tear.<sup>143</sup> In the defendant’s configuration report dated 16 May 2016, the defendant recorded that the machine model was ApeosPort-IV C5575, the serial number was 607738, the product code was NC100426, and the Controller ROM was “Ver 1.31.14”.<sup>144</sup> In the plaintiffs’ September 2018 Report, they recorded the machine model as ApeosPort-IV C5575, the serial number as 629586 and the product code as NC100411.<sup>145</sup> According to Ms Yasuda, by the time the 1st plaintiff acquired Offending Machine 3 from GMC around 12 December 2017, the serial number had reverted to the original, genuine serial number of 629586: this “could probably be due to the software having been reset.”<sup>146</sup> Her evidence was that the software version “Ver 1.31.14” as stated in

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<sup>140</sup> Transcript, 7 January 2021 at p 60, lines 1–14.

<sup>141</sup> Plaintiff’s Reply Submissions dated 26 March 2021 (“PRS”) at para 37.

<sup>142</sup> AB Vol 6 at p 1356.

<sup>143</sup> DCS at para 180.

<sup>144</sup> AB Vol 10 at p 2440.

<sup>145</sup> AB Vol 6 at p 1382.

<sup>146</sup> Yasuda AEIC at para 190.



the defendant’s configuration report from 16 May 2016 did not exist at the time: this software version was only released in August 2016. As such, the machine must have been tampered with.<sup>147</sup> Based on Ms Yasuda’s evidence, which I found credible, I accepted that the serial number of the machine had been changed, that the Controller ROM software version “Ver 1.31.14” reflected in the defendant’s configuration report from May 2016 did not in fact exist at that time, and that the software must therefore have been modified.

(2) Dilution in an unfair manner

91 Lastly, I found that the use of the “ApeosPort” mark on Offending Machines 1 to 3 had caused dilution in an unfair manner of the distinctive character of the “ApeosPort” mark.

92 “Dilution” refers to the lessening of the capacity of the trade mark to identify and distinguish goods or services, regardless of whether there is any competition between the plaintiffs and defendant or any likelihood of confusion on the part of the public (s 2(1) of the Trade Marks Act). In this regard, the CA in *Sarika* has said that the essence of dilution is “the weakening of the mark’s ability to identify goods” (at [96]), and that it is sufficient to show a real or serious probability of damage to the mark’s advertising quality or symbolic function to establish a dilution claim (at [94]).

93 I found that dilution by blurring was made out on the facts, as the relevant public would make a connection or establish a “link” between the defendant’s use of the “ApeosPort” mark and the plaintiffs’ “ApeosPort” mark

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<sup>147</sup> Transcript, 5 January 2021, at p 61, lines 23–32; Plaintiffs’ Further Submissions dated 12 May 2021 (“PFS”) at p 15, para 36(c)(iii).

(*Sarika* at [99]–[100]). In fact, the defendant’s own submissions stated that the public would have “no difficulty” associating the machines sold by the defendant with the plaintiffs.<sup>148</sup> First, given the invented nature of the word “ApeosPort” and its distinctive quality, it would be easier to establish such a link. Second, there was reproduction to a substantial extent of the word “ApeosPort” in the defendant’s use of the mark – either in whole (“ApeosPort”) or with minimal variation (“Apeosport”/“ApoesPort”). Lastly, as the defendant’s Offending Machines 1, 2 and 3 were similar to the plaintiffs’ original machines, it was extremely likely that consumers would draw a “mental link” between the defendant’s use of the sign and the plaintiffs’ “ApeosPort” mark.

94 In summary, the plaintiffs were successful in making out their claim of trade mark infringement *vis-à-vis* the “ApeosPort” registration.

### **Passing off**

#### ***ApeosPort* mark**

95 I next address the plaintiffs’ claim of passing-off *vis-à-vis* the “ApeosPort” mark, in relation to Offending Machines 1, 2 and 3. To succeed in its claim of passing-off, the plaintiffs must prove the classic trinity of goodwill, misrepresentation and damage (*per* the CA in *AMC Live* at [80]).

#### ***Goodwill***

96 On the element of goodwill, “[t]he court’s concern is whether there exists any attractive force in the plaintiff’s business that brings in custom”; and

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<sup>148</sup> DCS at para 83.

at this stage of the inquiry, the court does not inquire whether the plaintiff's goodwill is associated with a name or mark (*AMC Live* at [81]–[82]). As the CA observed in *AMC* (at [83]), “if the inquiry as to whether the plaintiff's goodwill is associated with a name or mark is analysed at the goodwill stage, there is a risk of conflating the issue of goodwill with the separate issue of whether there has been misrepresentation and consequently, damage to the goodwill of the plaintiff's business”.

97 In the present case, the defendant did not mount any challenge to the plaintiffs' assertion of the existence of goodwill. In any event, there was more than enough evidence to establish such goodwill: see *eg* the plaintiffs' evidence of the sales revenue<sup>149</sup> and marketing expenditure for Fuji Xerox Equipment in Singapore between 2010 and 2017.<sup>150</sup>

98 Goodwill can be limited to particular sections of the public: *per* the CA in *Novelty Pte Ltd v Amanresorts Ltd and another* [2009] 3 SLR(R) 216 (“*Amanresorts (CA)*”) at [44]. In the present case, I did not understand the plaintiffs to be claiming goodwill *vis-à-vis* the public at large in Singapore: rather, the relevant sector of the public in Singapore would be actual and potential customers of the plaintiffs' machines, who would primarily come from businesses and commercial entities that had need of office equipment such as printers, facsimile machines and other such goods – businesses much like GMC, Raymond Ng & Associates, and the other companies which featured in the plaintiffs' investigations.

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<sup>149</sup> SOC at para 15(b); AEIC of Sim Seok Seah dated 22 June 2020 (“*Sim AEIC*”) at paras 7–8; AB Vol 9 at pp 2345–2359.

<sup>150</sup> SOC at para 15(c); *Sim AEIC* at para 26.

*Misrepresentation*

99 As to the element of misrepresentation, this would be established by proof that the defendant’s machines were held out to be, or to be connected with, those of the plaintiff’s business (*AMC Live* at [86]). The primary question was whether the defendant’s use of the “ApeosPort” mark would lead the relevant segment of the public to believe that the machines supplied by the defendant were actually machines supplied by the plaintiffs (or machines supplied with the plaintiffs’ authorisation and consent), or that the defendant was economically related to the plaintiffs.

100 The defendant argued that it had never advertised or informed customers that it was an authorised reseller of the plaintiffs’ or that it was connected to the plaintiffs.<sup>151</sup> Its company name (PTC) and contact details could be found on its machines and its tax invoices. This indicated that the defendant was the party supplying the machines. Conversely, there was nothing to indicate that it was acting on behalf of the plaintiffs.<sup>152</sup>

101 The plaintiffs submitted, however, that the defendant used business identifiers that were identical to the inherently distinctive badges of origin belonging to the plaintiffs, and that there was accordingly a likelihood of confusion.<sup>153</sup>

102 Having regard to the evidence before me, I also found the element of misrepresentation to be proven. In this connection, “the court must, at a

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<sup>151</sup> DCS at para 113.

<sup>152</sup> DCS at paras 117–118.

<sup>153</sup> PCS at paras 109–110.

threshold level, consider whether the [plaintiffs'] goodwill is sufficiently associated with its name or the marks that it uses" (*AMC Live* at [87]). The defendant in this case did not seriously dispute that the plaintiffs' goodwill was sufficiently associated with its "ApeosPort" mark. Indeed, Poh agreed in cross-examination that the plaintiffs have goodwill in Singapore in the "ApeosPort" mark<sup>154</sup>; and there was in any event ample evidence of the plaintiffs' sales revenue from their "ApeosPort" machines in Singapore between 2006 and 2017.<sup>155</sup>

103 Next, the alleged misrepresentation "must be analysed from the perspective of those who have goodwill in the plaintiff's get-up" (*City Chain* at [73]); and it must be asked whether those people in Singapore with goodwill towards the plaintiffs' machines believed that the defendant's machines were those manufactured, imported, distributed, sold, leased, serviced or marketed by the plaintiffs, and/or were connected to or associated with the plaintiffs. As I noted earlier (at [98]), the specific section of the public which had goodwill towards the "ApeosPort" mark would be potential and actual customers – *ie* businesses and commercial entities – who required the photocopiers, printers and other machines for their office use. The misrepresentations must be analysed from their perspective. Based on the evidence adduced, I was satisfied that there was misrepresentation to the relevant section of the public.

104 *Inter alia* and in particular, as I noted earlier, the screenshots of the defendant's website showed that it was offering machines for sale, lease or rent

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<sup>154</sup> Transcript, 7 January 2021 at p 64, lines 12–15.

<sup>155</sup> SOC at para 15(b); PCS at para 46; AB Vol 9 at pp 2345–2348.

under the name “ApeosPort”.<sup>156</sup> The defendant’s website also stated that its “major products supplied include the FUJI Xerox ApeosPort series”.<sup>157</sup> It is trite that a misrepresentation is actionable under the law of passing off only if it gives rise to confusion: *Amanresorts (CA)* at [77]. While there was no evidence that persons in Singapore with goodwill towards the plaintiffs’ machines were confused in actual fact by the defendant’s use of the “ApeosPort” mark on its machines, the lack of such evidence was not fatal to the plaintiffs’ claim. Instead, “the court is entitled to consider whether the average reasonable person, with characteristics reflective of the relevant section of the public as identified under the examination of goodwill, is likely to be confused by the [defendant’s] misrepresentation” (*City Chain* at [79]). Given that the sign used by the defendant was *identical* to the plaintiffs’ mark, and the fact that the plaintiffs and defendant were in the same business of selling photocopiers (*Amanresorts (CA)* at [82] and [84]), I found that the average reasonable person would likely be confused, as he or she would form the impression that the defendant was offering machines supplied by the plaintiffs or was related to the plaintiffs’ business.

### *Damage*

105 As to the element of damage, the test for damage in passing off cases is either actual or probable damage to the plaintiff’s goodwill (*Amanresorts (CA)* at [94]).

106 The plaintiffs submitted that they had been damaged by both “blurring” and “tarnishment”. “Blurring” would mean that the plaintiffs’ get-up had

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<sup>156</sup> AB Vol 5 at pp 1288–1290 (2 October 2017); AB Vol 9 at p 2273 (29 July 2019).

<sup>157</sup> AB Vol 9 at p 2271.

become indicative of the defendant’s goods or services, resulting in a diversion of sales from the plaintiffs to the defendant: this could be inferred if the parties were in direct competition. “Tarnishment” would mean that the defendant’s goods and services were of a worse quality than the plaintiff’s, and customers would think the plaintiff was the source of those poor quality goods: this too could be inferred if the defendant sold heavily modified, refurbished, old and obsolete machines more prone to wear and tear (*Amanresorts (CA)* at [97]–[98]).<sup>158</sup>

107 The defendant claimed that its practice was to “check the photocopiers for functionality and errors for used machines”: if the machines were beyond repair, it would scrap the machine and salvage the spare parts. According to the defendant, there was no evidence that Offending Machines 1, 2 and 3 were more prone to wear and tear.<sup>159</sup> The get-up remained indicative of the plaintiffs’ goods, and not that of the defendant’s, so there was no damage by blurring.<sup>160</sup>

108 On the basis of the evidence adduced, I found that the element of damage too was made out.

109 A likelihood of blurring is readily inferred where parties are in direct competition with each other: *Allergan, Inc and another v Ferlandz Nutra Pte Ltd* [2016] 4 SLR 919 at [210]. In this regard, Poh admitted that the defendant was a direct competitor of the plaintiffs.<sup>161</sup> In the circumstances, I accepted that there had been dilution by “blurring”. Poh also testified that the defendant dealt

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<sup>158</sup> PCS at paras 155 and 157.

<sup>159</sup> DCS at paras 89–90.

<sup>160</sup> DCS at para 124.

<sup>161</sup> Transcript, 7 January 2021 at p 54, lines 1–4.

with “second-hand machines” which had been used for three to five years and which were then refurbished by the defendant.<sup>162</sup> He admitted that old used machines would generally be more prone to wear and tear, technical faults and errors than new machines.<sup>163</sup> He further admitted that the defendant would repair these second-hand machines using spare parts from other used machines – and it would not tell its customers that it had done so.<sup>164</sup> Given these facts, it could be inferred that the machines sold by the defendant were of lower quality than the plaintiffs’ original machines, since, on Poh’s own admission, they were more prone to breaking down. Moreover, due to the defendant’s use of the “ApeosPort” mark, buyers of those machines would think the plaintiffs were the source of those low-quality goods. In the circumstances, I also found for the plaintiffs on their claim of tarnishment.

#### *Parallel imports*

110 In arriving at these conclusions, I considered the defendant’s attempt to rely on the defence of parallel imports in relation to the plaintiffs’ passing off claims for the “ApeosPort” mark.<sup>165</sup> The parallel importation of genuine goods does not constitute passing off: *Sin Heak Hin Pte Ltd and another v Yuasa Battery Singapore Co Pte Ltd* [1995] 3 SLR(R) 123 at [82].

111 For reasons similar to those I alluded to earlier in dealing with the defendant’s reliance on s 29(1) of the Trade Marks Act (see [70] to [94] above), I found that there was no basis for the defendant’s reliance on the defence of

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<sup>162</sup> Transcript, 6 January 2021 at p 55, lines 20–23.

<sup>163</sup> Transcript, 7 January 2021 at p 40, lines 19–22.

<sup>164</sup> Transcript, 7 January 2021 at p 39, line 24–p 40 line 12.

<sup>165</sup> Defence at para 19.



parallel imports. I was satisfied, therefore, that the plaintiffs had made out their claim of passing-off *vis-à-vis* the “ApeosPort” mark.

***DocuCentre mark and Fuji Xerox mark***

112 For similar reasons, I also found that the plaintiffs had made out their claims of passing-off *vis-à-vis* the “DocuCentre” and “Fuji Xerox” marks.

***Goodwill***

113 On the element of goodwill, the defendant argued that the plaintiffs did not own the goodwill in the “DocuCentre” or “Fuji Xerox” mark.<sup>166</sup>

114 As I noted earlier, at the goodwill stage of the inquiry, the court does not inquire whether the plaintiff’s goodwill is associated with a name or mark (*AMC Live* at [81]–[83]). The question the court asks itself at this stage of the inquiry is whether there exists any attractive force in the plaintiff’s business that brings in custom; and in this connection, there was considerable evidence to establish “attractive force in the [plaintiffs’] business that brings in custom”: see *eg* the plaintiffs’ evidence of the sales revenue and marketing expenditure for Fuji Xerox Equipment in Singapore between 2010 and 2017.<sup>167</sup>

***Misrepresentation and damage***

115 The element of misrepresentation is shown by proof that the defendant’s goods or services were held out to be, or to be connected with, those of the plaintiff’s business. The primary question then is whether the defendant’s use

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<sup>166</sup> DCS at paras 128 and 136.

<sup>167</sup> SOC at para 15; AB Vol 9 at pp 2345–2359; Sim AEIC at paras 7–8 and 26.

of the “DocuCentre” and “Fuji Xerox” marks would lead the relevant segment of the public to believe that the machines provided by the defendant were actually machines provided by the plaintiffs or that the defendant was economically related to the plaintiffs (*AMC Live* at [86]). In connection with this, the court must, at a threshold level, consider whether the plaintiffs’ goodwill is sufficiently associated with the “DocuCentre” and “Fuji Xerox” marks that they use, or, framed in another way, whether these marks are distinctive of the plaintiffs’ machines (*AMC Live* at [87]).

116 The defendant argued that the plaintiffs could not claim any goodwill associated with the “DocuCentre” and “Fuji Xerox” marks because both these marks are owned by Xerox Corporation and the plaintiffs pay royalties to Xerox Corporation for the trade mark use. According to the defendant, the plaintiffs had stated there was a licence agreement between Xerox Corporation and the 3rd plaintiff, although they had not adduced evidence of this;<sup>168</sup> and the “default position” in the case of a licensor-licensee relationship is that the licensor – in this case, Xerox Corporation – is the owner of the goodwill (*Harvard Club of Singapore v President and Fellows of Harvard College* [2020] 4 SLR 1378 (“*Harvard Club*”) at [88]).<sup>169</sup> Ms Batchelor had also agreed that Xerox Corporation owned the goodwill.<sup>170</sup>

117 In response, the plaintiffs submitted – citing *Han’s (F&B) Pte Ltd v Gusttimo World Pte Ltd* [2015] 2 SLR 825 (“*Han’s*”) – that Xerox Corporation and the plaintiffs were part of the same group of companies, and the goodwill

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<sup>168</sup> DCS at paras 130, 132 and 137.

<sup>169</sup> DCS at para 131.

<sup>170</sup> Transcript, 14 July 2020 at p 18, lines 11–13.

in the “DocuCentre” and “Fuji Xerox” marks was associated with the business of the group.<sup>171</sup>

118 In *Han’s*, the issue was whether the plaintiff – the parent company of the subsidiary that operated the Han’s restaurant and the registered owner of the Han’s trade mark – owned the goodwill in the Han’s mark when the plaintiff had not itself operated the business of the Han’s restaurant (at [187]). The defendant in *Han’s* argued that since goodwill was not in the Han’s trade mark, logo or get-up but in the carrying on of business, and since the plaintiff (an investment holding company) had never carried on the business of the Han’s restaurants, the plaintiff could have no goodwill to speak of. The High Court rejected the defendant’s arguments. The court found that the plaintiff owned the goodwill jointly and severally with the subsidiary, because the Han’s mark was used by the subsidiary for the benefit of the Han’s *group* which was headed by and under the control of the plaintiff; the goodwill in the mark was connected to the Han’s group, and in any event was enjoyed by both the plaintiff and the subsidiary (at [190], [194]).

119 It should be noted that in *Harvard Club*, the High Court expressly cautioned that “in a case where there is no express contract or agreement as to the ownership of the goodwill, it is especially important that one does not end the inquiry by employing a “default position” analysis. Rather, one must have regard to the full factual matrix of a case to determine ownership in an implied licence situation” (*Harvard Club* at [90]). In *QB Net Co Ltd v Earnson Management (S) Pte Ltd and others* [2007] 1 SLR(R) 1 (“*QB Net*”, cited by the court in *Harvard Club*), the High Court observed *obiter* that goodwill could be

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<sup>171</sup> PRS at paras 48 and 51–52.

jointly owned by the foreign licensor and the domestic licensee (*QB Net* at [30]), even though there were two licence agreements between them which gave the licensee the right to open 10-minute haircut salons under the trade names “QB House” and “QB Shell”, and to adopt the foreign licensor’s QB house system, get-up, and house marks (*QB Net* at [4], [6]). The High Court in *QB Net* found that the licensee had contributed significantly to publicity efforts in Singapore and also substantially modified the licensor’s instruction manuals to make them suitable for use here (*QB Net* at [37]–[39]). In contrast, in *Harvard Club* the court found that ownership of the goodwill resided in the University as the evidence showed that the success and continuing operation of the Club would not have been possible without the help and support of the University; and also because events post the University’s revocation of the Club’s status as the official Harvard Club showed that the attractive force in the activities and function of the Club was actually rooted in the connection to the University (*Harvard Club* at [93]–[96]).

120 In the present case, bearing in mind the court’s injunction in *Harvard Club* to have regard to the full factual matrix of the case, I accepted the plaintiffs’ submission that they and Xerox Corporation were clearly part of the same group of companies engaged in the same areas of business. As noted earlier (at [6]), the 1st plaintiff is a wholly-owned subsidiary of the 3rd plaintiff which in turn is a joint venture between Xerox Corporation and Fujifilm Holdings in Japan (with the latter buying over Xerox Corporation’s shares in the 3rd plaintiff in 2019). I also accepted the plaintiffs’ submission that the goodwill in the “DocuCentre” and “Fuji Xerox” marks was (as in *Han’s*), associated with the business of both the plaintiffs and Xerox Corporation.<sup>172</sup> The

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<sup>172</sup> PRS at para 51.

marks were used by the plaintiffs, with Xerox Corporation’s consent, for the benefit of the plaintiffs themselves and Xerox Corporation – *ie* in similar fashion to the subsidiary in *Han’s* which used the Han’s trade marks, with the parent company’s consent, for the benefit of the Han’s group (*Han’s* at [188], [190]). In short, I was satisfied that the goodwill in the “DocuCentre” and “Fuji Xerox” marks was *jointly* owned by both Xerox Corporation and the plaintiffs.

121 In this case, the Offending Machines were offered for sale, lease or rent on the defendant’s website under the names “DocuCentre” and “Fuji Xerox”.<sup>173</sup> The defendant’s website stated that the defendant’s “major products supplied include the FUJI Xerox ... DocuCentre series”.<sup>174</sup> It had also used the “DocuCentre” mark and “Fuji Xerox” mark in its brochures and pamphlets.<sup>175</sup> Given the identity between the defendant’s signs and the plaintiffs’ marks, and the fact that they were in the same business of selling photocopies and other office machines, I found that the average reasonable person with characteristics reflective of the relevant segment of the public (as earlier identified under the examination of goodwill, at [98]), was likely to be confused by the defendant’s misrepresentation.

122 Adopting the reasoning set out earlier at [104]–[109], I found the elements of misrepresentation and damage to be made out.

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<sup>173</sup> AB Vol 5 at pp 1288–1290; AB Vol 9 at pp 2270–2275, 2284–2285, 2287–2290.

<sup>174</sup> AB Vol 9 at p 2271.

<sup>175</sup> AB Vol 9 at pp 2207–2247; Transcript, 7 January 2021 at p 63, lines 14–16.

*Parallel imports*

123 The defendant also pleaded that Offending Machines 4, 5 and 6, which bore the “DocuCentre” mark, were sold and/or imported into Singapore as parallel imports, and were all purchased from third party suppliers.<sup>176</sup> For reasons similar to those I set out earlier (at [70]–[84]) in dealing with the defendant’s reliance on s 29(1) of the Trade Marks Act for Offending Machines 1, 2 and 3, I found no basis for the defendant’s reliance on the defence of parallel imports in the context of these passing-off claims.

(1) Evidence on Offending Machine 4

124 In respect of Offending Machine 4, the defendant’s explanation was that Fairmont Office Equipment (“Fairmont”), a Malaysian company, had received Offending Machine 4 from another Malaysian company, Kim Fook Engineering (“Kim Fook”); that Fairmont had made changes in machine information and print speed upon receipt; and that the defendant had thereafter taken delivery of a DocuCentre VC 3375 from Fairmont on 27 March 2014.<sup>177</sup> This purchase, according to Poh, was made “through a recommendation by Starcopy Co. Ltd” and payment was made directly to Starcopy Co. Ltd (“Starcopy”).<sup>178</sup> Kim Fook was an authorised reseller of Fuji Xerox Equipment in Malaysia.<sup>179</sup>

125 First, I noted that according to the Malaysian company registration records, Fairmont was registered as a business on 24 April 2009, and its

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<sup>176</sup> Defence at para 27.

<sup>177</sup> DCS at para 210.

<sup>178</sup> Poh AEIC at para 24, pp 314 and 316.

<sup>179</sup> AB Vol 6 at p 1397; Transcript, 17 July 2020 at p 7, line 22.

registration had expired on 23 April 2010.<sup>180</sup> This meant that Fairmont was not registered as a company in Malaysia at the time of the purported transaction with the defendant on 27 March 2014. Poh’s explanation at trial – that “perhaps [Fairmont] forgot to renew after the registration expired” – was unbelievable, in light of what I have earlier found at [77] above.<sup>181</sup>

126 Second, Poh failed to offer any intelligible explanation for the role of Kim Fook or how payment was made for Offending Machine 4.

127 In his AEIC, Poh adduced an invoice dated 27 March 2014 that showed a total amount of RMB 44,000 due from the defendant to Starcopy (“Starcopy Invoice”) for a machine “DCVC3375”.<sup>182</sup> Poh also adduced a payment voucher dated 9 May 2014 ostensibly issued by the defendant, showing payment of RMB 44,000 had been made to Starcopy for “DCVC3375” (“PTC-Starcopy Payment Voucher”).<sup>183</sup> In his supplementary AEIC, Poh adduced a delivery order issued by Fairmont to the defendant purporting to record Fairmont’s sale and delivery of Offending Machine 4 to the defendant on 27 March 2014 (“Fairmont-PTC Delivery Order”).<sup>184</sup> This document recorded that the machine “DCVC3375” had a serial number of 611106, and indicated a “Debit” of RMB 44,000 – a handwritten note appeared to make reference to the Starcopy Invoice. The Fairmont-PTC Delivery Order also stated that Fairmont’s address was in Johor Bahru, Malaysia (the “Jalan Kempas Address”).

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<sup>180</sup> AB Vol 30 at p 8099.

<sup>181</sup> Transcript, 7 January 2021 at p 9, lines 9–12.

<sup>182</sup> Poh AEIC at pp 314 and 316.

<sup>183</sup> Poh AEIC at p 318.

<sup>184</sup> Poh Supplementary AEIC at p 10.

128 The plaintiffs adduced a receipt from Kim Fook dated 12 February 2014, which recorded that Kim Fook had received MYR 21,000 from Q Tech International (“Q Tech”) for Q Tech’s purchase of a new machine, DC-VC2275 with a serial number of 312708 (“Kim Fook-Q Tech Receipt”).<sup>185</sup> The plaintiffs also adduced an invoice dated 14 February 2014 issued by Kim Fook to Q Tech for the same sum of MYR 21,000, for a machine with the same serial number of 312708 (“Kim Fook-Q Tech Invoice”).<sup>186</sup> The Kim Fook-Q Tech invoice showed that Q Tech International had the same address in Singapore as Quest Tech – which was Poh’s wife’s business.<sup>187</sup> Lastly, the plaintiffs adduced a delivery order from Kim Fook to Q Tech (“Kim Fook-Q Tech Delivery Order”) dated 14 February 2014, which stated that delivery of this machine “DCVC2275” with serial number 312708 was to be made to the Jalan Kempas Address in Malaysia – which was Fairmont’s address (see [126] above).<sup>188</sup>

129 At trial, Poh accepted that the delivery address shown in the Kim Fook-Q Tech Delivery Order was the same as Fairmont’s Jalan Kempas Address in the Fairmont-PTC Delivery Order.<sup>189</sup> Poh also conceded that the serial number of the machine had changed from 312708 in the Kim Fook-Q Tech Delivery Order to 611106 in the Fairmont-PTC Delivery Order.<sup>190</sup> Lastly, Poh accepted that Q Tech had the same address as Quest Tech, which was solely owned by

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<sup>185</sup> Plaintiff’s Bundle of Documents (Volume 1) dated 15 July 2020 (“1 PB”) at p 7.

<sup>186</sup> 1 PB at p 5.

<sup>187</sup> See the address of Quest Tech at AB Vol 23 at p 6077; Supplementary AEIC of Batchelor dated 15 July 2020 (“Batchelor Supplementary AEIC”) at para 10.

<sup>188</sup> 1 PB at p 6.

<sup>189</sup> Transcript, 7 January 2021 at p 8, lines 5–9.

<sup>190</sup> 1 PB at p 6 (serial number of 312708), compare with Poh Supplementary AEIC at p 10 (serial number of 611106); Transcript, 7 January 2021 at p 8, lines 10–15.



his wife.<sup>191</sup> As mentioned earlier at [79], Poh’s wife was also appointed a director of the defendant on 27 April 2015.

130 The documentary evidence, and Poh’s testimony, led to the following findings. Around 14 February 2014, Q Tech, a Singapore company which shared the same address as a business solely owned by Poh’s wife, paid Kim Fook (the plaintiffs’ authorised reseller in Malaysia) MYR 21,000 for a machine “DCVC2275” with a serial number 312708, to be delivered to Fairmont in Malaysia at the Jalan Kempas Address. About a month later, around 27 March 2014, Fairmont then delivered a machine “DCVC3375” to the defendant with a serial number of 611106. Starcopy received payment of RMB 44,000 for arranging this transaction between Fairmont and the defendant around 9 May 2014, some two months after the delivery – despite the Starcopy Invoice stating that payment was to be made “in Advance”, with “Cash before delivery”.

131 These findings raised a host of questions. Why did Q Tech – allegedly a different business from the Quest Tech company owned by Poh’s wife – share the same address as Quest Tech? Why would Q Tech deliver a machine to Fairmont if Fairmont was not even a registered company at the time? Did Fairmont pay Q Tech for the delivery, and if so, how much? Why did the defendant pay Starcopy rather than paying Fairmont directly? Why did Starcopy apparently allow payment to be made two months after delivery?

132 Poh’s evidence in response to these questions came across as contrived and – again – frankly unbelievable.

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<sup>191</sup> Transcript, 7 January 2021 at p 4, lines 1–4.

133 First, in his supplementary AEIC, Poh claimed that the defendant was not aware of Q Tech (even though it shared the same address as his wife’s company Quest Tech and had a highly similar name to Quest Tech). Poh pronounced himself surprised by the plaintiffs’ claim that Offending Machine 4 had been sold to Q Tech.<sup>192</sup> According to Poh, “there is no existence of this company called Q Tech”.<sup>193</sup> He also claimed that Kim Fook’s boss (“Chin”) had told him that Kim Fook had never sold any machine to Q Tech, and that the manager “might have made a mistake in this document”.<sup>194</sup> Having given this testimony, however, Poh then went further to allege that the Kim Fook-Q Tech Delivery Order, Kim Fook-Q Tech Receipt and Kim Fook-Q Tech Invoice were not just incorrect but were *fabricated*.<sup>195</sup> In his supplementary AEIC, he claimed that these documents departed significantly from Kim Fook’s own practice or from the industry practice.<sup>196</sup>

134 Despite the obviously serious nature of his allegations about fabricated Kim Fook documentation, Poh did not call Chin as a witness to testify to any of these allegations.<sup>197</sup> Instead, he adduced two letters dated 16 July 2020 in his supplementary AEIC, purportedly from Chin, as well as two “draft statements” of Chang Swee Keong (“Chang”), the alleged sales manager of Kim Fook.<sup>198</sup>

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<sup>192</sup> Poh Supplementary AEIC at para 7.

<sup>193</sup> Transcript, 7 January 2021 at p 79, lines 9–10.

<sup>194</sup> Transcript, 7 January 2021 at p 5, lines 1–9.

<sup>195</sup> Transcript, 7 January 2021 at p 11, line 27; p 78, lines 22–26; p 79, lines 8–12.

<sup>196</sup> Poh Supplementary AEIC at paras 12, 14, 16 and 17; pp 19–20, 22, 24, 26, 28 and 30–43.

<sup>197</sup> Transcript, 7 January 2021 at p 6, lines 8–17.

<sup>198</sup> Poh Supplementary AEIC at paras 8 and 10.

The two letters from Chin had largely the same content, save for the differences I have emphasised below:<sup>199</sup>

**The first letter:**

... Mr. Chang [the sales manager] cannot recall if there has been mix up on the invoice to Singapore *as we did not send/sold anything to the Singapore address [of Q Tech]*. We are not sure if the invoice address correct or there may be an error or miscommunication on the address. We also did not check or verify the background of this company in JB. We only followed the instructions to deliver the copier to [the Jalan Kempas Address]. ...

**The second letter:**

... Mr. Chang [the sales manager] cannot recall if there has been mix up on the invoice to Singapore. *The invoice (PI-14/02/14) was for our own internal records only.* We are not sure if the invoice address correct or there may be an error or miscommunication on the address. We also did not check or verify the background of this company in JB. We only followed the instructions to deliver the copier to [the Jalan Kempas Address]. ...

[emphasis added]

135 As for Chang’s “draft statements”, which were purportedly sent by email from Chang to Chin on 7 May 2014,<sup>200</sup> the first of these “draft statements” said:

Some where January this year :

I can’t really recall the actual date.

A Singapore lady so call Miss Koh from Q TECH INTERNATIONAL , she call me up to request for the Color Machine proposal,

After did some enquiries ,I proposed to her the Newest Model that we have ( The DC-VC 2275 .)

February this year :

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<sup>199</sup> Poh Supplementary AEIC at pp 12–13.

<sup>200</sup> Poh Supplementary AEIC at pp 15–17.

She call me up again said her boss already confirmed to buy the Color Machine...

Just after 2 days, she call me to install the machine in Kempas , I do asked for the Installation Address but she failed to reply me.

She call me up again the next day ... She want to collect the machine by themselves first and install whenever their Network Is ready. ...

The second “draft statement” said:

...I consulted my boss , he said ,since it is a first time we deal with this customer we want cash before installation.

They agreed and provide us the Address in JB. And mentioned that the installation will be somewhere in mid of Feb. 2014.

Before the installation date , they came and want to pick up the copier and do the installation themselves. ...

136 Given that no one from Kim Fook (and indeed, no one besides Poh) was called by the defendant to testify about the “fabrication” of the Kim Fook documents and/or supposed errors in them, Kim Fook’s practices and/or “industry practice”, Poh’s claims about the documents amounted to nothing more than bare – and plainly self-serving – assertions. Further, even if one could accept the authenticity of Chin’s purported letters and Chan’s purported “draft statements” (and the defendant offered no objective evidence to establish their authenticity), these documents actually contradicted each other. Chin’s first letter stated that Kim Fook had not sold anything to “the Singapore address [*ie* Q Tech]”, but Chang’s “draft statement” identified Q Tech as having purchased the machine “for [a] customer in JB”.<sup>201</sup>

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<sup>201</sup> Poh Supplementary AEIC at pp 13 and 16–17.

137 Second, since Poh insisted that “there is no existence of this company called Q Tech”, he had to explain why Kim Fook would deliver the machine to the Jalan Kempas Address if it had not received any payment from Q Tech.<sup>202</sup> Once again, his explanation made no sense.<sup>203</sup>

Kim Fook and Star Copy knew each other and had dealings with each other. So sometimes, they might give money from one person to another. Many of these companies do it this way.

The assertion that Kim Fook and Starcopy knew each other was not in Poh’s AEIC: it was made for the first time in cross-examination.<sup>204</sup> Poh also did not adduce any evidence to show that someone else besides Q Tech – *eg* Starcopy or Fairmont – had paid Kim Fook, nor did he explain why either Starcopy or Kim Fook would have “[done] it this way”. Lastly, I also did not believe Poh’s claims that Q Tech did not exist: given that it shared the same address as his wife’s company Quest Tech, and had a very similar name, it would seem reasonable to infer that Q Tech and Quest Tech were more probably than not one and the same company.

138 Lastly, Poh claimed that it was Fairmont that had made modifications to Offending Machine 4.<sup>205</sup> Poh adduced a letter dated 26 June 2015, supposedly from Fairmont’s manager, one Shirley Koh.<sup>206</sup> The letter stated:

... This is to certify that one unit of Fuji Xerox DCVC3375 (serial number 611106) was sold by us to a Singapore buyer. This machine was purchased in Malaysia through an authorised Fuji Xerox reseller channel and we got the machine as

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<sup>202</sup> Transcript, 7 January 2021 at p 79, lines 9–10.

<sup>203</sup> Transcript, 7 January 2021 at p 11, line 28–p 12 line 8.

<sup>204</sup> Transcript, 7 January 2021 at p 12, line 18.

<sup>205</sup> Transcript, 7 January 2021 at p 8, lines 20–23.

<sup>206</sup> AB Vol 23 at p 6086.

DCVC2275 (serial number 312708) and through our IT friend, we managed to upgrade the machine from Fuji Xerox DCVC2275 to Fuji Xerox DCVC3375 ... Payment was made to my friend Mr Xu (a Taiwanese) who knows the buyer and ordered the machine through our company.

139 I was not persuaded by this letter. Apart from the fact that it was hearsay (since no one from Fairmont was called to attest to the authenticity of this letter), Fairmont was not even a registered company in Malaysia at the time of the alleged transaction. In any event, the defendant's case appeared to be internally inconsistent: it was not explained how the defendant could on the one hand submit that the machine mentioned in the various Kim Fook-Q Tech documents (with a serial number of 312708) was *not* the Offending Machine 4 (with a serial number of 611106) sold by Fairmont to the defendant, and at the same time rely on this letter to argue that Fairmont was responsible for the modifications to *this machine*.<sup>207</sup>

140 The convoluted route by which the defendant obtained Offending Machine 4 – and Poh's inability to provide any coherent explanation for the various discrepancies – pointed to duplicity on the defendant's part. Having regard to my findings on the evidence adduced, I rejected the defendant's claim that it acquired Offending Machine 4 from a legitimate third-party supplier.

141 In any event, to rely on the defence of parallel imports in response to a passing off claim, the defendant must have imported and resold *genuine goods* (see [110] above). Offending Machine 4 was not resold as a genuine good, given that it had been modified. I return to this issue at [176]–[181] below.

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<sup>207</sup> DCS at para 210.

(2) Evidence on Offending Machines 5 and 6

142 In his AEIC, Poh claimed that the defendant had bought Offending Machines 5 and 6 from Shanghai Quanle Office Equipment Operations Co Ltd (“Shanghai Quanle”), a Chinese company.<sup>208</sup> Shanghai Quanle is an authorised reseller of the plaintiffs in China.<sup>209</sup>

143 Poh produced two invoices – one dated 13 August 2014 (the “13 August 2014 Invoice”) which showed the alleged purchase by the defendant of a “Xerox DC VC3375 + Duplex + Fax” for RMB 46,080, and another dated 16 September 2014 (the “16 September 2014 Invoice”) which showed the purchase by the defendant of, *inter alia*, a “Xerox DC VC3375 + Duplex + Fax”, for a total of RMB 83,520.<sup>210</sup> As with Offending Machine 4, Poh claimed that he had obtained clarification from Shanghai Quanle in June 2015 that the modifications to Offending Machines 5 and 6 were done by the shipper when they left Shanghai.<sup>211</sup> Poh also produced an alleged certificate of authorisation from Fuji Xerox (“Authorisation Certificate”).<sup>212</sup>

144 Poh’s evidence in this regard was again full of anomalies and discrepancies. First, the company name on the Authorisation Certificate, “Shanghai Quanle Office Equipment Operations Co. Ltd”, did not match any of the three company names stated on the 13 August 2014 Invoice and the 16 September 2014 Invoice. Poh’s initial explanation was that the names on the

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<sup>208</sup> Poh AEIC at paras 28 and 30.

<sup>209</sup> AB Vol 8 at pp 2119–2152 (English translation); pp 2153–2170 (Chinese version).

<sup>210</sup> Poh AEIC at pp 337 and 339.

<sup>211</sup> Poh AEIC at paras 32 and 34; pp 346 and 348.

<sup>212</sup> AB Vol 23 at pp 6117–6118.

two invoices were a “short-form”.<sup>213</sup> When probed further on how he knew this, he admitted: “I came up with that myself.”<sup>214</sup> This initial explanation was then jettisoned in favour of another story – *ie* that the name “SHANGHAI QUANLE” in the invoices was the “name of the authorised reseller”.<sup>215</sup> From the manner in which Poh glibly shifted from one story to another, it appeared to me he was simply making up his answers on the fly. It should also be highlighted that a search of the China National Company Registration Database showed the company “Shanghai Xerox Office Equipment Operation Co Ltd” (the first company name stated in Mandarin at the top of the two invoices) did not even exist.<sup>216</sup>

145 Second, Poh accepted that the description of the products sold in both the 13 August 2014 Invoice and the 16 September 2014 Invoice did not match the description in the shipment proofs.<sup>217</sup> His explanation was that the Chinese parties’ “proficiency of the English is limited, so when they typed it out, this is how they do it” – it did not mean “that the products are different”.<sup>218</sup> His evidence appeared to be pure conjecture, since the defendants failed to call any witnesses from the Chinese company to testify about this.<sup>219</sup>

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<sup>213</sup> Transcript, 7 January 2021 at p 21, lines 8–13.

<sup>214</sup> Transcript, 7 January 2021 at p 21, line 26.

<sup>215</sup> Transcript, 7 January 2021 at p 22, lines 6–15.

<sup>216</sup> AB Vol 9 at pp 2360–2361; Transcript, 7 January 2021 at p 23, lines 14–19.

<sup>217</sup> AB Vol 31 at pp 8097–8098 (shipment proof dated 13 August 2014), compare with AB Vol 10 at pp 2391 (13 August 2014 Invoice); AB Vol 31 at pp 8099–8100 (shipment proof dated 15 September 2014), compare with AB Vol 10 at p 2395 (16 September 2014 Invoice); Transcript, 7 January 2021 at p 24, line 27 –p 25, line 31.

<sup>218</sup> Transcript, 7 January 2021 at p 26, lines 9–20.

<sup>219</sup> Transcript, 7 January 2021 at p 27, lines 5–8.



146 Third, Poh produced a letter purporting to be from Shanghai Quanle, an authorised reseller of the 3rd plaintiff, dated 19 June 2015.<sup>220</sup> The letter stated:

These 2 machines – DocuCentre-V C2275 CPS of serial no. 840161; 440578 – are confirmed to have been shipped from our company’s warehouse. Based on investigation of the 2 machines, they have been upgraded to DocuCentre-V C3375 CPS by the shipper when they left Shanghai. ...

Quite apart from the doubtful authenticity of this letter, it did not in any event assist to shed light on the defendant’s case.<sup>221</sup> Oddly, in particular, the “shipper” who was said to have “upgraded” Offending Machines 5 and 6 “when they left Shanghai” was not even named or identified; nor was any explanation offered as to why the “shipper” should have taken it upon themselves to effect such “upgrading” when the defendant itself claimed not to have known of the “upgrading”, much less asked for it. Lastly, I note that the defendant did *not* pursue this point about the shipper performing the upgrades in its closing submissions. Instead, in its closing submissions, the defendant contended – rather startlingly and without any apparent evidential basis – that the changes in the software/firmware were made by *Shanghai Quanle* and that Shanghai Quanle had a “clear motivation to alter the Machine Information of [Offending] Machines 5 and 6 to avoid detection from the [p]laintiffs”.<sup>222</sup>

147 Lastly, I note that the plaintiffs provided a copy of the distribution agreement between the plaintiff’s Chinese office and Shanghai Quanle dated 26 July 2018 (the “Shanghai Quanle Agreement”).<sup>223</sup> The Shanghai Quanle

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<sup>220</sup> AB Vol 23 at pp 6084–6085.

<sup>221</sup> Transcript, 7 January 2021 at p 31, lines 21–29.

<sup>222</sup> DCS at paras 212 and 215.

<sup>223</sup> AB Vol 8 at pp 2119–2152.

Agreement provided, *inter alia*, that it was “prohibited to make any substitution or modification to the products or packaging ... provided by the Supplier without the prior written consent of the Supplier”.<sup>224</sup> It also stated that “Without the consent of the Supplier, the Dealer shall not directly or through a third person sell the products ... outside the mainland of China.”<sup>225</sup>

148 Although the plaintiffs originally tendered a statement from Shanghai Quanle dated 7 November 2019 stating “[o]ur company has not sold any modified equipment to PTC Business System Pte Ltd”<sup>226</sup>, Ms Batchelor testified at trial that Shanghai Quanle had supplied Offending Machines 5 and 6 in breach of its distribution agreements with the plaintiffs. However, Shanghai Quanle was not the one who made the modifications.<sup>227</sup> The defendant argued that this proved it must have obtained the machines from the same Shanghai Quanle that was the plaintiffs’ authorised reseller.<sup>228</sup> In their reply submissions, the plaintiffs pointed out that this did not mean Shanghai Quanle had “directly sold” to the defendant: it only meant that Shanghai Quanle was the ultimate source upstream of the machines that ended up with the defendant.<sup>229</sup>

149 I was not persuaded by the defendant’s arguments. *Even if* Shanghai Quanle had, in breach of its agreement with the plaintiffs, resold Offending Machines 5 and 6 directly to the defendant, this would not allow the defendant

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<sup>224</sup> AB Vol 8 at p 2123.

<sup>225</sup> AB Vol 8 at p 2124.

<sup>226</sup> AB Vol 8 at pp 2171–2172.

<sup>227</sup> Transcript, 14 July 2020 at p 42, line 4–p 43 line 7 and p 45, line 12; Transcript, 17 July 2020 at p 41, lines 3–6.

<sup>228</sup> DCS at para 214.

<sup>229</sup> PRS at para 69.

to invoke the defence of parallel imports in response to the passing off claim. This was because Offending Machines 5 and 6 had been modified and were not resold as genuine goods in Singapore (see [182]–[191] below).

### **Copyright infringement**

150 I next address the 3rd plaintiff’s claim of copyright infringement, which was the subject of the further submissions I requested from parties. I examined the evidence adduced in the light of the parties’ closing submissions as well as their further submissions and further reply submissions.

#### ***Primary infringement***

151 I deal first with the 3rd plaintiff’s claim of primary infringement of copyright in respect of their software/firmware. This was for infringement pursuant to s 26(1)(a)(v) read with s 31(1) of the Copyright Act, for making an unlicensed adaptation of the plaintiffs’ software/firmware. Section 26(1)(a)(v) states:

#### **Nature of copyright in original works**

**26.—**(1) For the purposes of this Act, unless the contrary intention appears, copyright, in relation to a work, is the exclusive right —

(a) in the case of a literary, dramatic or musical work, to do all or any of the following acts:

...

(v) to make an adaptation of the work;

...

152 In this connection, the plaintiffs alleged the following changes to the six Offending Machines:<sup>230</sup>

(a) Offending Machine 1: The product name was changed from AP4C2270 to AP4C3370, the product code was changed from NC100342 to NC500341, and the serial number was changed from 788168 to 855300.<sup>231</sup>

(b) Offending Machine 2: The product name was changed from DC4C4475 to AP4C4475, and the serial number was changed from 310612 to 302040.<sup>232</sup>

(c) Offending Machine 3: The serial number of this machine had been changed when it was in the defendant's possession but had reverted to the original serial number by the time Ms Yasuda examined the machine.<sup>233</sup>

(d) Offending Machine 4: The product name was changed from DC5C2275 to DC5C3375, and the serial number was changed from 312708 to 611106.<sup>234</sup>

(e) Offending Machine 5: The product name was changed from DC5C2275 to DC5C3375, the product code was changed from

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<sup>230</sup> AB Vol 6 at p 1356.

<sup>231</sup> AB Vol 6 at pp 1358–1365.

<sup>232</sup> AB Vol 6 at pp 1367–1376.

<sup>233</sup> AB Vol 6 at pp 1377–1389; Yasuda AEIC at para 48.

<sup>234</sup> AB Vol 6 at pp 1391–1397.

TC100757 to TC100760, and the serial number was changed from 440578 to 455024.<sup>235</sup>

(f) Offending Machine 6: The product name was changed from DC5C2275-T2 to DC5C3375-T2, and the serial number was changed from 840161 to 455224.<sup>236</sup>

153 The plaintiffs relied on s 130 of the Copyright Act to presume subsistence and ownership of copyright in the software/firmware by the 3rd plaintiff.<sup>237</sup> At all material times, the 3rd plaintiff had licensed to its subsidiaries, including the 2nd plaintiff, the intellectual property rights such as the copyright for software/firmware and had made it clear that the same was not transferred.<sup>238</sup> The plaintiffs submitted that the defendant had knowledge of the software/firmware licence terms and had admitted that it was not licensed by the plaintiffs.<sup>239</sup> According to the plaintiffs, it was probably the defendant who had changed the serial number, product code and firmware/software as the defendant had control over the machines.<sup>240</sup>

154 The defendant, on the other hand, argued that the plaintiffs had not established there *was* copyright subsisting in the software/firmware. According to the defendant, the plaintiff had to establish that copyright subsisted under

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<sup>235</sup> AB Vol 6 at pp 1399–1406.

<sup>236</sup> AB Vol 6 at pp 1408–1415.

<sup>237</sup> PCS at paras 169, 188.

<sup>238</sup> PCS at para 189.

<sup>239</sup> PCS at para 229.

<sup>240</sup> PCS at paras 469, 487 and 504.

Japanese law as the software/firmware was first published in Japan.<sup>241</sup> The defendant also argued that while the plaintiffs alleged numerous instances where the serial numbers were altered, the plaintiffs had not produced evidence to prove that the defendant was the party who did so.<sup>242</sup> Further, even if the defendant had made any alleged alterations to the software/firmware, these alleged alterations did not amount to an adaptation of the copyright in the software/firmware.<sup>243</sup>

*Subsistence of copyright*

155 Having considered the evidence and parties’ submissions, I found that copyright *did* subsist in the software/firmware and that it was owned by the 3rd plaintiff.

156 First, I disagreed with the defendant’s submission that Regulation 5(b)(i) of the Copyright (International Protection) Regulations (Cap 63, 2009 Rev Ed) (“Copyright (International Protection) Regulations”) was applicable to ascertain whether protection under the Copyright Act should be granted to the software/firmware.<sup>244</sup> Regulation 5 refers to a “published edition of a work or works”. Copyright in published editions of works, under s 86 and s 91 of the Copyright Act, is popularly known as a publisher’s right or a copyright in the layout or typeset of a published work (*Global Yellow Pages Ltd v Promedia Directories Pte Ltd and another matter* [2017] 2 SLR 185 at [92]–[93]).

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<sup>241</sup> DCS at paras 141 and 144.

<sup>242</sup> DCS at para 20(b).

<sup>243</sup> DCS at paras 222 and 241.

<sup>244</sup> DCS at paras 142–143.

157 Software/firmware, however, is a “literary work” (s 7A(1)(b) of the Copyright Act). In this regard, the Copyright Act shall apply in relation to the plaintiffs’ software/firmware that was first published in Japan (or Malaysia or China) in like manner as it would apply in relation to software/firmware first published in Singapore (Regulation 3(1)(a) of the Copyright (International Protection) Regulations). Japan, Malaysia, and China are all members of the World Trade Organisation and are parties to the Berne Convention.<sup>245</sup> Thus, the software/firmware in the present case enjoyed copyright protection in Singapore, as if it had been published in Singapore. The plaintiffs did not need to establish that the software/firmware enjoyed copyright protection under Japanese copyright law.<sup>246</sup>

158 It should be noted, moreover, that the plaintiffs in this case relied on s 130 of the Copyright Act for the presumption as to subsistence and ownership of the copyright in the 3rd plaintiff (s 130(1)(a) of the Copyright Act).<sup>247</sup> Insofar as the defendant apparently refused to admit the subsistence of copyright in the software/firmware or the 3rd plaintiff’s ownership of such copyright, there was no evidence adduced by the defendant to satisfy me that it was putting these matters in issue in good faith: s 130(1A) of the Copyright Act. The 3rd plaintiff’s Katsumi Kizaki had also filed an affidavit stating that the 3rd plaintiff was the owner of the software/firmware, and this stood as *prima facie* proof of the matters stated therein (s 130(1B) of the Copyright Act, *Nanofilm Technologies International Pte Ltd v Semivac International Pte Ltd and others*

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<sup>245</sup> PCS at para 185.

<sup>246</sup> DCS at paras 144–145.

<sup>247</sup> PCS at para 169.

[2018] 5 SLR 956 at [57]).<sup>248</sup> The defendant did not adduce any evidence to prove the contrary.

### *Adaptation*

159 In relation to computer programs, s 7(1)(c) of the Copyright Act defines an “adaptation” as a version of the work (whether or not it is in the language, code or notation in which the work was originally expressed), not being a reproduction of the work. Section 17 of the Copyright Act states that references to an adaptation of a work to a material form includes references to the storage of that adaptation in, *inter alia*, a computer or on any medium by electronic means.

160 The plaintiffs submitted that the “adaptation” made by the defendant could be found, *inter alia*, in the following ways: the Offending Machines had object code embodied in the ROM where the functions they produced were identical to that found in original Fuji Xerox Equipment, the version numbers on some of the Offending Machines did not make chronological sense to the plaintiffs, the Offending Machines had altered or modified rights management information, there were Offending Machines that had been up-speeded (which could only be achieved by modifying the software/firmware), and there were Offending Machines that used to be “DocuCentre” Fuji Xerox Equipment, but later contained “ApeosPort” object code.<sup>249</sup>

161 The defendant, for its part, argued that the plaintiffs had not provided any evidence of the similarities and differences between their proprietary source

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<sup>248</sup> AEIC of Katsumi Kizaki dated 18 June 2020 at paras 14–15.

<sup>249</sup> Plaintiffs’ Further Submissions dated 12 May 2021 (“PFS”) at para 36.



code and the allegedly infringing code, and that there was no evidence to support a finding that the object code in the ROM was an adaptation of the plaintiffs' source code.<sup>250</sup> There was also no evidence that the defendant had access to the plaintiffs' source code which would enable it to adapt the said code to the allegedly infringing object code.<sup>251</sup>

162 Taking into consideration the available evidence, I was satisfied that the software/firmware came within the definition of an unlicensed adaptation. I was also satisfied that the original software/firmware in each Offending Machine had been altered. I set out below my findings in respect of the evidence for each machine.

(1) Offending Machine 1

163 According to the plaintiffs, the original product name for Offending Machine 1 was changed from AP4C2270 to AP4C3370, the original product code was changed from NC100342 to NC500341, and the original serial number was changed from 788168 to 855300.<sup>252</sup>

164 From the plaintiffs' investigations, Offending Machine 1 was manufactured on 7 November 2010, sold by Fuji Xerox Saitama in Japan and installed on 26 November 2010, and later removed from the client's location on 24 June 2015.<sup>253</sup>

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<sup>250</sup> Defendant's Reply Submissions to the Plaintiffs' Further Submissions dated 21 May 2021 ("DRS 2") at paras 5 and 7.

<sup>251</sup> DRS 2 at para 8.

<sup>252</sup> AB Vol 6 at p 1356.

<sup>253</sup> AB Vol 6 at pp 1363–1364; Transcript, 5 January 2021 at p 21, lines 19–23.

165 The defendant acquired Offending Machine 1 on 5 February 2016.<sup>254</sup> On 15 February 2016, the defendant recorded its serial number as 884121, and gave it the reference number 801964.<sup>255</sup> The defendant’s configuration report dated 15 February 2016 (with a timestamp of 2:27pm) showed that the Controller ROM version was “Ver 1.1.22”, the serial number was 884121, the product code was NC100354, and the machine model was ApeosPort-IV C3370.<sup>256</sup> Offending Machine 1 was then sold by the defendant to GMC around 23 June 2016.<sup>257</sup>

166 The plaintiffs acquired Offending Machine 1 from GMC on or around 12 December 2017.<sup>258</sup> The plaintiffs used the serial number of the fuser assembly unit to derive the original serial number of the machine, which was 788168.<sup>259</sup> The plaintiffs’ September 2018 Report recorded the Controller ROM version as “Ver 1.2.4”, the serial number as 855300, the product code as NC500341 and the machine model as ApeosPort-IV C3370.<sup>260</sup> Ms Yasuda’s evidence – which was not refuted – was that this installed software version was only released in March 2012 for the Fuji Xerox domestic region.<sup>261</sup>

167 I accepted that the version number of the software/firmware on Offending Machine 1 recorded by the plaintiffs in 2018 (“Ver 1.2.4”) could not have been present in Offending Machine 1 at the time it was manufactured in

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<sup>254</sup> AB Vol 10 at p 2403 (Fuji Xerox APIVC3370).

<sup>255</sup> AB Vol 10 at p 2404.

<sup>256</sup> AB Vol 10 at p 2407.

<sup>257</sup> AB Vol 10 at pp 2454–2455; Yasuda AEIC at para 149.

<sup>258</sup> Yasuda AEIC at para 154.

<sup>259</sup> Transcript, 5 January 2021 at p 18, lines 23–27; p 19, lines 6–10; p 26, lines 28–29.

<sup>260</sup> AB Vol 6 at p 1362.

<sup>261</sup> Yasuda AEIC at para 57; AB Vol 6 at p 1362.

Japan in November 2010, since this version was only released for the Japanese market in March 2012.<sup>262</sup> This meant that the software/firmware must have been modified from the original version at the time of manufacture. I also accepted that based on the September 2018 Report, the product name, product code and serial number of Offending Machine 1 had been changed from the original machine information.

(2) Offending Machine 2

168 For Offending Machine 2, the plaintiffs asserted that the original product name was changed from DC4C4475 to AP4C4475 (*ie* it was changed from a DocuCentre to an ApeosPort machine), and the original serial number was changed from 310612 to 302040.<sup>263</sup>

169 Offending Machine 2 was manufactured on 30 October 2012, sold on 15 November 2012 by Fuji Xerox Chiba, and removed from the client’s premises in Japan on 27 August 2015.<sup>264</sup> It was acquired by the defendant on 4 March 2016.<sup>265</sup> On 7 March 2016, the defendant recorded that this machine had the serial number 309583, and assigned it the reference number of 802064.<sup>266</sup> The defendant’s configuration report dated 7 March 2016 (with a timestamp of 2:28pm) showed the “Controller ROM” version as “Ver 1.71.15”, the serial

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<sup>262</sup> Yasuda AEIC at para 57; AB Vol 6 at p 1362.

<sup>263</sup> AB Vol 6 at p 1356.

<sup>264</sup> AB Vol 6 at pp 1372–1373.

<sup>265</sup> AB Vol 10 at p 2418.

<sup>266</sup> Yasuda AEIC at para 163; AB Vol 10 at pp 2419–2420.

number as 309583, the product code as NC100411, and the machine name as ApeosPort-IV C4475.<sup>267</sup>

170 The defendant sold Offending Machine 2 to GMC around 22 March 2016.<sup>268</sup> The plaintiffs acquired Offending Machine 2 from GMC around 12 December 2017. The plaintiffs’ September 2018 Report showed the “Controller ROM” version as “Ver 1.31.12”, the serial number as 302040, the product code as NC100426, and the machine name as ApeosPort-IV C4475.<sup>269</sup>

171 Ms Yasuda testified that Offending Machine 2 must have been tampered with at some point before 7 March 2016 because, as of 7 March 2016, the software version “1.71.15” recorded in the defendant’s configuration report did not exist; this version was only released in October 2017.<sup>270</sup> In addition, the September 2018 Report stated that the installed software version “Ver 1.31.12” at that date was released in May 2015<sup>271</sup> – about three years after the manufacture of the machine. Ms Yasuda’s evidence in this respect was not refuted. From the evidence, I accepted that the software versions in the machine must have been altered from the original version. I also accepted that the serial number and product code had been altered.

172 For completeness, the plaintiffs said in the September 2018 Report that Offending Machine 2 contained “SSL/TLS Settings” which DocuCentre

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<sup>267</sup> AB Vol 10 at p 2422.

<sup>268</sup> Yasuda AEIC at para 166; AB Vol 10 at p 2430.

<sup>269</sup> AB Vol 6 at p 1371.

<sup>270</sup> Transcript, 4 January 2021 at p 8, lines 28–31; Transcript, 5 January 2021 at p 45, lines 18–22; p 55, line 27–p 56, line 9.

<sup>271</sup> AB Vol 6 at p 1371; Yasuda AEIC at para 72.

machines do not have, and also contained an application called “BMLinkS”, which was not a genuine Fuji Xerox application.<sup>272</sup> Ms Yasuda initially testified that this application was “not an officially directly provided item by Fuji Xerox”.<sup>273</sup> Subsequently she clarified that the “connectivity function from BMLinkS is a function that is offered by Fuji Xerox” and that these were “standard functions” for “ApeosPort4C4475 and DocuCentre4C4475”.<sup>274</sup> Given her clarification that it was in fact a genuine Fuji Xerox application that was standard for both the modified machine model and for the original machine model, I did not find that the BMLinkS function on Offending Machine 2 was evidence of an unlicensed adaptation of the software/firmware.

(3) Offending Machine 3

173 Offending Machine 3 was manufactured on 2 July 2013, installed on 30 August 2013 and removed from the client’s premises in Japan on 5 February 2016.<sup>275</sup> The defendant acquired Offending Machine 3 on 13 May 2016.<sup>276</sup> On 16 May 2016, the defendant assigned it a reference number of 802219, and recorded its serial number as 607738.<sup>277</sup> The defendant’s configuration report dated 16 May 2016 (with a timestamp of 11:31am) recorded the Controller ROM as “Ver 1.31.14”, the machine model as “ApeosPort-IV C5575”, the serial number as 607738, and the product code as NC100426.<sup>278</sup> The defendant sold

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<sup>272</sup> AB Vol 6 at p 1375; AB Vol 31, at pp 8101–8369.

<sup>273</sup> Transcript, 6 January 2021 at p 2, lines 4–5.

<sup>274</sup> Transcript, 6 January 2021 at p 5, lines 15–16 and p 6, lines 2–4.

<sup>275</sup> AB Vol 6 at pp 1384–1385.

<sup>276</sup> AB Vol 10 at p 2436.

<sup>277</sup> Yasuda AEIC at para 179; AB Vol 10 at pp 2437–2438.

<sup>278</sup> AB Vol 10 at p 2440.

this machine to GMC on 30 May 2016.<sup>279</sup> It was acquired by the plaintiffs around 12 December 2017.

174 In the plaintiffs’ September 2018 Report, they recorded the machine model as ApeosPort-IV C5575, the serial number as 629586 and the product code as NC100411.<sup>280</sup> According to Ms Yasuda, this serial number 629586 was the correct and genuine serial number, which had probably reappeared upon the software being reset.<sup>281</sup> Ms Yasuda’s evidence – which was not refuted - was that the software version “Ver 1.31.14” as stated in the defendant’s configuration report from 16 May 2016 did not exist at the time of May 2016 (it was only released in August 2016), and hence that machine must have been tampered with.<sup>282</sup>

175 Based on the evidence, I accepted that the serial number of Offending Machine 3 had been changed from 629586 to 607738, and then reverted to 629586 by the time of the plaintiffs’ September 2018 Report. I also accepted that the Controller ROM software version “Ver 1.31.14” reflected in the defendant’s configuration report from May 2016 did not exist at that time, and so the software must have been modified either before that time or upon delivery. Similarly, *per* the plaintiffs’ investigations in the September 2018 Report, the software version “Ver 1.31.8” was only released for the Fuji Xerox domestic region in June 2014, *after* the manufacture of Offending Machine 3 in July 2013, so the software in Offending Machine 3 must have been modified at

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<sup>279</sup> Yasuda AEIC at para 182; AB Vol 10 at p 2448.

<sup>280</sup> AB Vol 6 at p 1382.

<sup>281</sup> Yasuda AEIC at paras 189–190.

<sup>282</sup> Transcript, 4 January 2021 at p 9, lines 10–12; Transcript, 5 January 2021, at p 61, lines 31–32.

some point between the defendant acquiring Offending Machine 3 in May 2016 and the plaintiffs acquiring Offending Machine 3 in December 2017.<sup>283</sup>

(4) Offending Machine 4

176 According to the plaintiffs, the original product name for Offending Machine 4 was changed from DC5C2275 to DC5C3375, and the original serial number was changed from 312708 to 611106.<sup>284</sup>

177 Offending Machine 4 was manufactured on 27 December 2013.<sup>285</sup> It was sold by Fuji Xerox Malaysia to Kim Fook, an authorised reseller, on 28 January 2014, with a serial number of 312708.<sup>286</sup> Ms Yasuda testified that Fuji Xerox knew about this sale to Kim Fook as at 2014, but did not know what happened after that.<sup>287</sup>

178 From the evidence set out earlier, Kim Fook had sold Offending Machine 4 to Q-Tech in February 2014 with the original serial number of 312708. The machine was delivered to Fairmont, and then sold to the defendant on 27 March 2014 with a different serial number of 611106. Around 15 April 2014, the 2nd plaintiff acquired Offending Machine 4 from S M Compass.<sup>288</sup>

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<sup>283</sup> AB Vol 6 at p 1382.

<sup>284</sup> AB Vol 6 at pp 1356, 1395. I have referred to the serial number of 611106 based on the configuration report at p 1395, although the summary at p 1356 states that the serial number is 611105.

<sup>285</sup> AB Vol 6 at p 1396.

<sup>286</sup> AB Vol 6 at p 1397.

<sup>287</sup> Transcript, 5 January 2021 at p 69, lines 19–31.

<sup>288</sup> Yasuda AEIC at para 201; Batchelor AEIC at para 169; AB Vol 9 at pp 2323 and 2328.

179 From the plaintiffs’ September 2018 Report, they found that the Controller ROM was “Ver 1.1.6”, the machine model was DocuCentre-V C3375, the serial number was 611106, and the product code was TC100705.<sup>289</sup> The Seito Investigation report from April 2014 also recorded the same information.<sup>290</sup>

180 Based on the documentary evidence available, I was satisfied that the machine sold by Kim Fook to Q-Tech/Fairmont and subsequently to the defendant was the same Offending Machine 4, and that its original serial number and product name had been changed.

181 For completeness, I noted that the Controller ROM version number “Ver 1.1.6” as found by the plaintiffs in the September 2018 Report was released in December 2013 for the Fuji Xerox Asia Pacific region, including Fuji Xerox Malaysia.<sup>291</sup> I did not think that this indicated the software/firmware in Offending Machine 4 was an unlicensed adaptation. Since the machine was manufactured in December 2013, it was plausible that the software version released in December 2013 was incorporated into Offending Machine 4 from the time of manufacture and was not subsequently modified.

(5) Offending Machine 5

182 According to the plaintiffs, for Offending Machine 5, the product name was changed from DC5C2275 to DC5C3375, the original product code was

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<sup>289</sup> AB Vol 6 at p 1395.

<sup>290</sup> AB Vol 3 at pp 716–722.

<sup>291</sup> AB Vol 6 at p 1395.



changed from TC100757 to TC100760, and the original serial number was changed from 440578 to 455024.<sup>292</sup>

183 Offending Machine 5 was manufactured on 19 February 2014.<sup>293</sup> It was sold by Fuji Xerox in China to Shanghai Quanle, an authorised reseller of Fuji Xerox Equipment within China, on 27 March 2013.<sup>294</sup> It was acquired by the defendant around August/September 2014,<sup>295</sup> and subsequently sold by the defendant to Focus Art around 21 October 2014.<sup>296</sup> The plaintiffs acquired Offending Machine 5 from Focus Art around November 2014.<sup>297</sup> The 19 June 2015 statement from Shanghai Quanle refers to the original serial number of the machine, 440578.<sup>298</sup>

184 From the plaintiffs’ investigations in the September 2018 Report, the Controller ROM version was “Ver 1.1.9”, the machine model was DocuCentre-V C3375, the serial number was 455024, and the product code was TC100760.<sup>299</sup> The changes from the original serial number of 440578 to 455024, change in product code (from TC100757 to TC100760) and print speed (from 2275 to 3375) were also recorded in Morimoto’s 26 November 2014 Report.<sup>300</sup>

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<sup>292</sup> AB Vol 6 at p 1356.

<sup>293</sup> AB Vol 6 at p 1404.

<sup>294</sup> Yasuda AEIC at para 205; AB Vol 6 at p 1405.

<sup>295</sup> Poh AEIC at pp 337 and 339.

<sup>296</sup> Yasuda AEIC at para 209; AB Vol 10 at p 2397; AB Vol 3 at pp 752–756.

<sup>297</sup> AB Vol 3 at pp 752–756.

<sup>298</sup> AB Vol 23 at p 6085.

<sup>299</sup> AB Vol 6 at p 1403.

<sup>300</sup> AB Vol 3 at pp 760–779, at p 764.

185 Based on the documentary evidence available, I accepted that the original product code, product name and serial number for Offending Machine 5 had been changed and this was an unlicensed adaptation.

186 As for the Controller ROM version number “Ver 1.1.9” found by the plaintiffs in the September 2018 Report, the plaintiffs said this was released in February 2014 only for the Fuji Xerox Asia Pacific region.<sup>301</sup> However, I did not think this pointed towards the software/firmware in Offending Machine 5 being an unlicensed adaptation: since the machine was manufactured in February 2014, it was plausible that the software released in February 2014 was incorporated into Offending Machine 5 from the time of manufacture, and was not subsequently modified.

(6) Offending Machine 6

187 As for Offending Machine 6, the plaintiffs alleged that the product name was changed from DC5C2275-T2 to DC5C3375-T2, and the serial number was changed from 840161 to 455224.<sup>302</sup>

188 Offending Machine 6 was manufactured on 18 June 2014.<sup>303</sup> It was sold by Fuji Xerox in China to Shanghai Quanle on 26 September 2014.<sup>304</sup> The defendant’s records for the deliveries from Shanghai Quanle are dated 13 August 2014 and 16 September 2014.<sup>305</sup> The 19 June 2015 statement from

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<sup>301</sup> AB Vol 6 at p 1403.

<sup>302</sup> AB Vol 6 at p 1356.

<sup>303</sup> AB Vol 6 at p 1413.

<sup>304</sup> AB Vol 6 at p 1414.

<sup>305</sup> Poh AEIC at pp 337 and 339.

Shanghai Quanle referred to the original serial number of the machine, 840161.<sup>306</sup> The labels on the packaging of the machine (which Poh testified was what the defendant had received from Shanghai Quanle) indicated the modified serial number of 455224 and the modified product name of C3375.<sup>307</sup> These labels also indicated a date of 4 November 2013. As Ms Yasuda stated in her AEIC, there was inconsistency in these dates as the machine was sold to Shanghai Quanle on 26 September 2014 – yet the defendant’s documents purported to show that it had made the purchases from Shanghai Quanle from 13 August 2014 or 16 September 2014, while the delivery labels indicated that the defendant had received it around 4 November 2013.<sup>308</sup>

189 The defendant assigned Offending Machine 6 a reference number of 226081.<sup>309</sup> The defendant then sold this machine to Raymond Ng & Associates on 5 November 2014, with a handwritten reference number 226081.<sup>310</sup> The plaintiffs acquired Offending Machine 6 around November 2014 (see [20] above).<sup>311</sup>

190 From the plaintiffs’ September 2018 Report, Offending Machine 6 had a Controller ROM version “Ver 2.0.9”, machine model DocuCentre-V C3375 T2, and serial number 455224.<sup>312</sup> The change in the serial number from 840161

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<sup>306</sup> AB Vol 23 at p 6085.

<sup>307</sup> AB Vol 23 at pp 6119–6120; Transcript, 7 January 2021 at p 28, lines 18–30 and p 29, lines 8–16.

<sup>308</sup> Yasuda AEIC at para 215.

<sup>309</sup> Yasuda AEIC at para 217.

<sup>310</sup> Yasuda AEIC at para 218; AB Vol 10 at pp 2400–2402.

<sup>311</sup> AB Vol 3 at pp 757–759.

<sup>312</sup> AB Vol 6 at p 1412.

to 455224 and the change in the print speed (from 2275 to 3375) was also confirmed by Morimoto’s 26 November 2014 Report.<sup>313</sup> From the evidence, I accepted that the original serial number and the original product name of Offending Machine 6 had been changed.

191 I noted that the Controller ROM version “Ver 2.0.9” was released in February 2014 for the Fuji Xerox Asia Pacific region, including China.<sup>314</sup> However, since the machine was manufactured on 18 June 2014 *ie after* the software version was released, and hence it was plausible it would have had that version installed; this did not indicate that the software/firmware in the machine was an unlicensed adaptation.

(7) Summary of findings

192 In summary, I found that Offending Machines 1 to 6 contained software/firmware that had been modified from the original version, as evidenced by the various changes in serial numbers, product codes and machine models. I accepted the plaintiffs’ submission that the altered rights management information showed that the object code in the Offending Machines was an “altered version” that was an unlicensed adaptation.<sup>315</sup>

193 The question, though, for the purposes of the primary infringement claim, was whether it was *the defendant* who made the unlicensed adaptation, as the 3rd plaintiff claimed.

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<sup>313</sup> AB Vol 3 at pp 760–779, at p 772.

<sup>314</sup> AB Vol 6 at p 1412.

<sup>315</sup> PFS at para 36(d).

*Whether it was the defendant who made the unlicensed adaptation*

194 Under s 31(1) of the Copyright Act, the defendant would be liable for copyright infringement if it had made the unlicensed adaptation or authorised the making of the unlicensed adaptation.

195 I found Poh’s attempts to downplay the technical skills of the defendant’s staff to be self-serving<sup>316</sup>, but even if I accepted that the defendant’s staff had some degree of technical proficiency, it would be a very different thing to say firstly that they must have the level of technical expertise required to carry out a range of changes to the software/firmware, including changes to allow for up-speeding (which the plaintiffs acknowledged to be a highly sophisticated process that they themselves had not engaged in);<sup>317</sup> and secondly, that the defendant’s staff were in fact the ones who made these changes.

196 I did not find that the evidence before me was enough for me to conclude that the defendant was the one who made the unlicensed adaptation of the software/firmware. In the circumstances, I found that the 3rd plaintiff was not able to prove its claim of primary infringement.

***Secondary infringement***

197 The plaintiffs had, however, another string to their bow. They pleaded in the alternative a claim of secondary infringement by importation for sale or hire. Under s 32 of the Copyright Act, there is secondary infringement where

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<sup>316</sup> Transcript, 7 January 2021 at p 32, lines 2–5; p 69, lines 1–3 and 7–10; p 70, lines 28–31.

<sup>317</sup> PCS at paras 419, 421; Transcript, 16 July 2020 at p 29, lines 2–13 and p 34, lines 3–8; Transcript, 5 January 2021 at p 70, lines 22–25.

the article in question is an infringing copy. The plaintiffs submitted that under ss 32 and 33, all they were required to establish was that the defendant knew or ought reasonably to have known that the making of the article was carried out without the consent of the 3rd plaintiff.<sup>318</sup> The “making of the article” could be discerned from the fact that the defendant extensively refurbished the “used” machines which were intended to be destroyed by the plaintiff, the fact there were Offending Machines that had been up-speeded, modification of some Offending Machines from “DocuCentre” equipment to have “ApeosPort” functions and capabilities, and the probability that all the Offending Machines had altered or modified rights management information.<sup>319</sup> In this case, the “article” would be considered to be the whole of each of the Offending Machines.<sup>320</sup> The defendant was aware that the owner of the software/firmware was the plaintiffs and that the defendant was not licensed.<sup>321</sup>

198 The defendant submitted that there was no infringing article, but that if the court disagreed, then its position was that the making of the allegedly infringing article had been carried out with the consent of the 3rd plaintiff.<sup>322</sup> The “making” of an article under ss 32 and 33 of the Copyright Act referred to the process of manufacturing the article, which was substantially done by the plaintiffs.<sup>323</sup> In the alternative, the defendant submitted that it did not possess the requisite knowledge regarding the 3rd plaintiff’s lack of consent.<sup>324</sup> The

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<sup>318</sup> PFS at para 38.

<sup>319</sup> PFS at para 58.

<sup>320</sup> PFS at para 62.

<sup>321</sup> PFS at para 69.

<sup>322</sup> DCS at para 251.

<sup>323</sup> DCS at para 266.

<sup>324</sup> DCS at para 284.

defendant claimed, in addition, that the alleged software installations could not amount to a “making of the article”.<sup>325</sup>

199 I reproduce below the relevant provisions of the Copyright Act:

**Infringement by importation for sale or hire**

**32.** The copyright in a literary, dramatic, musical or artistic work is infringed by a person who, without the licence of the owner of the copyright, imports an article into Singapore for the purpose of —

(a) selling, letting for hire, or by way of trade offering or exposing for sale or hire, the article;

(b) distributing the article —

(i) for the purpose of trade; or

(ii) for any other purpose to an extent that will affect prejudicially the owner of the copyright; or

(c) by way of trade exhibiting the article in public,

where he knows, or ought reasonably to know, that the making of the article was carried out without the consent of the owner of the copyright.

**Infringement by sale and other dealings**

**33.—(1)** The copyright in a literary, dramatic, musical or artistic work is infringed by a person who, in Singapore, and without the licence of the owner of the copyright —

(a) sells, lets for hire, or by way of trade offers or exposes for sale or hire, an article; or

(b) by way of trade exhibits an article in public,

where he knows, or ought reasonably to know, that the making of the article constituted an infringement of the copyright or, in the case of an imported article, the making of the article was carried out without the consent of the owner of the copyright.

(2) For the purposes of subsection (1), the distribution of any articles —

(a) for the purpose of trade; or

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<sup>325</sup> DRS 2 at para 17.

(b) for any other purpose to an extent that affects prejudicially the owner of the copyright concerned,  
shall be taken to be the sale of those articles.

200 Secondary infringement would be established if the defendant had (*inter alia*) without the licence of the plaintiffs, imported an article into Singapore for the purpose of selling the article, where it knew or ought reasonably to know that the making of the article was carried out without the consent of the plaintiffs. The rights of the copyright owner of the plaintiffs’ software/firmware include the right of adaptation; and I found in this case (as explained above at [159]–[192]) that the software/firmware found in the Offending Machines constituted an unlicensed adaption. I agreed with the plaintiffs that the “article” in this case refers to the whole of each of the Offending Machines.<sup>326</sup> Thus, the “making of the article” referred to the “making” of each Offending Machine, which was done by modifying the plaintiffs’ original machines without its consent. It was also clear that the defendant, who was not an authorised reseller, had – without the licence of the plaintiffs – imported the articles (the Offending Machines) into Singapore for the purpose of selling them, or had sold the Offending Machines in Singapore.

201 Lastly, the plaintiffs submitted that the defendant knew – and indeed, required – that its suppliers modify and alter the machines they imported, including installing step-down transformer plugs, upgrading software, and removing or changing serial numbers.<sup>327</sup> The defendant, for its part, countered

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<sup>326</sup> PFS at para 62.

<sup>327</sup> PCS at para 576.



that it had no actual or constructive knowledge of any software alterations made to the Offending Machines.<sup>328</sup>

202 While I was not able to conclude that it was the *defendant* who had modified the software/firmware on the Offending Machines, I was satisfied that the defendant knew or ought reasonably to have known that modifications had been made to the Offending Machines, and that this was done without the plaintiffs’ consent. I explain below my reasons for coming to this conclusion.

203 For a defendant to be found liable for secondary infringement under s 32 of the Copyright Act, it must be shown that the defendant “knows, or ought reasonably to know” that the making of the article he imports or offers for sale was carried out without the consent of the copyright owner. The same formulation – “knows, or ought reasonably to know” – appears in s 136 in the context of copyright infringement offences. In *Public Prosecutor v Teo Ai Nee and another* [1995] 1 SLR(R) 450 (“*Teo Ai Nee*”) at [45], the High Court considered the meaning of the phrase “knows, or ought reasonably to know” in the context of s 136 of the Copyright Act. The court held that the word “know” meant that a defendant would need to possess actual knowledge. The phrase “ought reasonably to know”, on the other hand, contemplated knowledge of circumstances which would put an honest and reasonable man on inquiry: this would encompass (i) wilfully shutting one’s eyes to the obvious, (ii) wilfully and recklessly failing to make such inquiries as an honest and reasonable man would make, and (iii) knowledge of the circumstances which would indicate the facts to an honest and reasonable man.

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<sup>328</sup> DCS at para 288.

204 The phrase “ought reasonably to know” was also considered by the CA in *Singsung Pte Ltd v LG 26 Electronics Pte Ltd (trading as L S Electrical Trading)* [2016] 4 SLR 86 at [116] (“*Singsung*”), in the context of a secondary copyright infringement claim. There, the CA held that the relevant knowledge for this purpose “is not knowledge, as a matter of legal conclusion, that [the defendant] might be infringing copyright but knowledge, as a matter of fact, that [the defendant] might be using something that belonged to [the plaintiff] without its consent”. The CA held that the burden was on the defendant to show that it had conducted sufficient inquiries to dispel the prospect that it was about to use the copyrighted material without the copyright owner’s consent.

205 In this case, I found that the defendant knew, or ought reasonably to have known, about the modifications to the Offending Machines, *at the time it purchased the Offending Machines*, and it also knew that the modifications to the Offending Machines were made without the plaintiffs’ consent. Even if I were to be wrong about this, I found nevertheless that the defendant knew about the modifications when the plaintiffs sent their letters of demand – and despite this knowledge, it persisted in selling the Offending Machines.

206 First, I found that the defendant had actual knowledge of the modifications to the Offending Machines at the time it purchased the Offending Machines. I noted that in cross-examination, Poh stated – in relation to Offending Machines 4, 5 and 6 – that “It was the same machine put up on the market. How can I...explain *that they have made changes* to the machine? They are selling second-hand machines.” [emphasis added].<sup>329</sup> In similar vein, Poh also testified that the defendant normally sold Fuji Xerox photocopiers without

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<sup>329</sup> Transcript, 7 January 2021 at p 47, lines 4–6.

serial number labels on them; he conceded that Fuji Xerox would be able to “close off” the defendant’s “source of supply” from its suppliers if it were able to trace the exporters using the serial numbers, and *that was “why the exporters would remove the serial numbers”* [emphasis added].<sup>330</sup> This showed that the defendant was well aware that there had been modifications to the Offending Machines at the time of purchase.

207 Even if I were wrong in coming to the above conclusion, I found in any event that the defendant *ought reasonably to have* known about the modifications to the Offending Machines at the time it purchased them. Poh admitted in cross-examination that while he did not “tell” the defendant’s suppliers to modify the Fuji Xerox machines to be suitable for use in Singapore, “*transformers would then have to be installed*” [emphasis added]. He was extremely evasive about who would be doing the installation.<sup>331</sup> Similarly, when asked about the sticker labels on the machines, Poh said: “The sticker label is just a piece of paper...If let’s say the film was originally written in the Japanese language and we had to use the machines in Singapore, *we would have to change the sticker labels to English.*” [emphasis added]<sup>332</sup> In other words, Poh was actually admitting that the sticker labels on the machines *would have to be changed* – whether or not it was done directly by the defendant itself. Thus, at the very least, the defendant was shutting its eyes to the obvious.

208 Alternatively, the evidence before me was also sufficient to support a conclusion that the defendant had wilfully and recklessly failed to “make such

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<sup>330</sup> Transcript, 6 January 2021 at p 68, lines 16–29.

<sup>331</sup> Transcript, 6 January 2021 at p 56, lines 1–28.

<sup>332</sup> Transcript, 7 January 2021 at p 56, lines 12–15.

inquiries as an honest and reasonable man would make” (*Teo Ai Nee* at [45]). Poh admitted that the defendant would not ask the supplier to verify whether the machines to be supplied were designated for decommissioning or destruction in their home countries.<sup>333</sup> This showed that the defendant had conducted no inquiries “as to the provenance and ownership” of the Offending Machines (*Singsung* at [116]). In other words, not only did the defendant fail to ensure the veracity of its suppliers, it also failed to enquire into whether the machines it received were genuine, unmodified versions.

209 Further, I found that the defendant had actual knowledge that any modifications to the Offending Machines were carried out without the plaintiffs’ consent. This was admitted by Poh himself in cross-examination:<sup>334</sup>

Ct: Counsel says that clearly Fuji Xerox did not authorise the installation of transformers on its copiers to change the voltage from 100V to 220V; agree or disagree?

Poh: I agree but I need to explain.

Ct: Yes.

Poh: We, as parallel importers, are direct competitors of Fuji Xerox so why would Fuji Xerox authorise us to do such things? In fact, what Fuji Xerox wanted was to monopolise the market; why would they authorise such things?

Similarly, Poh conceded that any up-speeding done by someone who was not from Fuji Xerox would be an unauthorised modification of the software in the photocopier.<sup>335</sup>

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<sup>333</sup> Transcript, 6 January 2021 at p 55, lines 26–32.

<sup>334</sup> Transcript, 7 January 2021 at p 53, line 28–p 54, line 4.

<sup>335</sup> Transcript, 7 January 2021 at p 69, lines 24–27.

210 For the reasons set out above, I found that at the time of purchase, the defendant knew, or ought reasonably to have known, that the Offending Machines had been modified and that this had been done without the plaintiffs’ consent.

211 Lastly, even if the defendant was genuinely unaware of the modifications made to the Offending Machines *at the time of purchase*, it would have been alerted to these modifications by 20 June 2014 (see [19] above) when it received the plaintiffs’ first letter of demand (the June 2014 Letter).<sup>336</sup> In his AEIC, Poh acknowledged that the defendant had received the June 2014 Letter and August 2014 Letter from the plaintiffs, and adduced a copy of each letter.<sup>337</sup> Under cross-examination, Poh stated that in the letters of demand, the plaintiffs had said that the defendant was not allowed to use the plaintiffs’ photos on the defendant’s website, had mentioned “many other things such as, about trademarks and some changes”,<sup>338</sup> and had referred to “some changed serial numbers” in the machines sold by the defendant.<sup>339</sup> As set out at [19] above, in the June 2014 Letter, the 2nd plaintiff’s then-solicitors stated, *inter alia*, that “[the defendant] [had] changed the label and the serial number of the FujiXerox photocopiers that you are marketing and selling”, and such conduct amounted “to a misrepresentation of the true identity of the subject product”,<sup>340</sup> while in the August 2014 Letter, the 2nd plaintiff’s new solicitors stated that this “change of serial number in the display of our client’s product...entails unauthorized

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<sup>336</sup> PCS at para 580; Poh AEIC at para 27.

<sup>337</sup> Poh AEIC at para 27; pp 320–321 (June 2014 Letter) and pp 323–327 (August 2014 Letter).

<sup>338</sup> Transcript, 7 January 2021 at p 64, lines 22–28; at p 65, line 30–p 66 line 30.

<sup>339</sup> Transcript, 7 January 2021 at p 46, lines 17–25.

<sup>340</sup> AB Vol 3 at p 724.

alteration of our client’s proprietary, embedded software program for operation of the product”.<sup>341</sup> Despite receiving such notice, the defendant sold Offending Machines 5 and 6 in November 2014, and sold Offending Machines 1, 2 and 3 to GMC in 2016.

212 In summary, based on the evidence adduced, I was satisfied that the 3rd plaintiff had made out its case of secondary infringement under ss 32 and 33 of the Copyright Act.

***Section 260 of the Copyright Act: Rights management information***

213 I address next the 3rd plaintiff’s claim against the defendant in respect of infringement of its rights in rights management information which has been altered without its consent pursuant to s 260 of the Copyright Act.

214 The plaintiffs submitted that the computer software/firmware that is on the ROM of the Offending Machines is in the form of object code protected as a literary work under the Copyright Act, and the rights management information encoded in this computer software/firmware was the subject of the s 260 causes of action.<sup>342</sup> The rights management information includes the serial number, machine model, machine name and product code.<sup>343</sup> The plaintiffs can track every item or component of a Fuji Xerox Equipment using this information through its Traceability System.<sup>344</sup> The plaintiffs also affix a physical label on every machine where the said rights management information is incorporated

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<sup>341</sup> AB Vol 3 at p 729, para 7(c).

<sup>342</sup> PFS at para 75.

<sup>343</sup> PCS at para 197.

<sup>344</sup> PFS at para 78.

into the surface of the Fuji Xerox Equipment, which is intended to be a permanent part of the machine.<sup>345</sup> These pieces of information constitute rights management information as they represent information which identifies the work or subject-matter, being numbers or codes that represent the information (s 258(d) of the Copyright Act).<sup>346</sup> Lastly, the defendant knew that the rights management information had been removed or altered without the 3rd plaintiff's consent, and knew or ought reasonably to know that removal or alteration of the said rights management information would induce, enable, facilitate or conceal an infringement (ss 260(2) and (3) of the Copyright Act).<sup>347</sup> Alternatively, the defendant had distributed or imported for distribution the rights management information relating to the 3rd plaintiff's software/firmware, which had been altered without the 3rd plaintiff's consent.<sup>348</sup>

215 The defendant argued that the information did not fall within the definition of rights management information under s 258 of the Copyright Act as it did not identify the author of the work,<sup>349</sup> did not identify the allegedly copyrighted works,<sup>350</sup> and did not contain information about the terms of use of the works.<sup>351</sup> Further, the defendant argued that it had not made changes to the alleged rights management information,<sup>352</sup> nor did it have actual or constructive

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<sup>345</sup> PFS at para 79.

<sup>346</sup> PFS at para 80.

<sup>347</sup> PFS at para 108.

<sup>348</sup> PCS at para 598(b).

<sup>349</sup> DCS at para 295.

<sup>350</sup> DCS at para 301.

<sup>351</sup> DCS at para 310.

<sup>352</sup> DCS at para 314.

knowledge that such alteration would induce, enable, facilitate or conceal an infringement.<sup>353</sup>

*Whether information fell within definition of rights management information*

216 I accepted the submission that the serial number, machine model, machine name and product code comprised part of the relevant rights management information in this case, as they constitute information which *inter alia* enables the copyright owner to track usage of its works, gives users confidence in the authenticity of the source of the work and certainty as to the conditions of its use, and prevents distribution of copies where such information has been removed or manipulated in order to induce, enable, facilitate or conceal an infringement.<sup>354</sup> In my view, this information fell within s 258(d) of the Copyright Act as “any numbers or codes representing the information referred to”.

*Whether act of infringement made out*

217 On the whole, as I stated at [196] above, I was not convinced that there was enough evidence to say that it was *the defendant* who had made the unauthorised removal or alteration of rights management information in this case (s 260(2)(a) of the Copyright Act). However, I was satisfied that the 3rd plaintiff had made out the alternative claim against the defendant of distributing and/or importing for distribution rights management information which has been altered without the copyright owner’s consent under s 260(3) of the Copyright Act.

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<sup>353</sup> DCS at para 316.

<sup>354</sup> PFS at para 83.



218 First, the rights management information had clearly been altered without the plaintiffs’ consent (s 260(3)(a) of the Copyright Act). The defendant had also distributed, or imported for distribution, the rights management information relating to the 3rd plaintiff’s software/firmware by importing and selling the Offending Machines containing this altered rights management information without the plaintiffs’ consent (s 260(3)(b) of the Copyright Act), and knowing that this rights management information had been altered without the plaintiffs’ consent (s 260(3)(c) of the Copyright Act; see [205]–[211] above).

219 Additionally, I found that the defendant must have known, or ought reasonably to have known, that the distribution or importation of the rights management information would induce, enable, facilitate or conceal an infringement of the copyright in the software/firmware to which the rights management information related (s 260(3)(d)(i) of the Copyright Act). I found that the defendant knew its distribution of the altered rights management information would enable an infringement of the copyright in the software/firmware since, every time the Offending Machine was turned on, either by the defendant or its customers, the unlicensed adaptation of the software/firmware would be reproduced.<sup>355</sup> Even if that was wrong, however, I found that the defendant at least knew that its distribution of the altered rights management information would *conceal* an infringement of the copyright in the software/firmware, because the altered information would make it harder for the plaintiffs to trace each machine in its traceability system. As I have noted, Poh testified that the defendant normally sold Fuji Xerox photocopiers without serial number labels on them, precisely because otherwise Fuji Xerox would be “able

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<sup>355</sup> PFS at paras 94 and 97.

to trace the exporters” and “close off” the defendant’s “source of supply”: as Poh himself conceded, this was why “the exporters *would remove the serial numbers*” [emphasis added].<sup>356</sup> Poh thus knew only too well that the serial numbers on the machines were a means for the plaintiffs to trace the origin of the machines, and that removing the serial numbers would hamper the plaintiffs’ efforts in detecting whether there had been any infringement of its copyright in the software/firmware.

220 I add that while the defendant sought to argue that it was not required to check on or know anything about the software/firmware required to operate the machines and that it knew nothing about the changes made to the said software/firmware, I found the evidence proffered by the defendant to be entirely unbelievable; and I reiterate in particular that I found Poh to be a shifty and deceitful witness.

#### *Parallel imports*

221 I also rejected the defendant’s belated attempt to rely on a defence of parallel imports in relation to the 3rd plaintiff’s claims of copyright infringement.<sup>357</sup> I agree with the 3rd plaintiff that in this connection, the defendant has presented (with respect) a distorted and misconceived interpretation of the concept of parallel imports.

222 *Inter alia*, as the plaintiffs pointed out in their first set of reply submissions, the defendant stands on a totally different footing from a legitimate parallel importer who can show that its source (whether in Japan or elsewhere)

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<sup>356</sup> Transcript, 6 January 2021 at p 68, lines 16–29.

<sup>357</sup> Defence at para 46.

purchased a machine legitimately and that the software/firmware on that machine is exactly that which was installed by the copyright owner or its licensor.<sup>358</sup> Not only did the defendant produce no such evidence, the testimony of its sole witness Poh – and in particular his admissions under cross-examination, alongside the obvious lies strewn throughout his testimony – led me to infer that the defendant was at all material times well aware of the unauthorised changes made to the 3rd plaintiff’s software/firmware (including the rights management information).

### **Reliefs granted**

223 In summary, I found that the plaintiffs had made out their claims of trade mark infringement of the “ApeosPort” mark, passing off in respect of the “ApeosPort”, “DocuCentre” and “Fuji Xerox” marks, secondary infringement under ss 32 and 33 of the Copyright Act, and infringement of rights in their rights management information under s 260 of the Copyright Act.

224 Having regard to those of the plaintiffs’ claims which were made out, I found that the plaintiffs were entitled to the reliefs prayed for as follows:

(a) 1st plaintiff: the order for an injunction; the order for delivery up and forfeiture or destruction; and the order for an inquiry as to damages, or, at the plaintiffs’ election in the alternative, an account of profits in respect of the infringement of the “ApeosPort” registration.<sup>359</sup>

(b) 3rd plaintiff: the order for an injunction; the order for delivery up and forfeiture or destruction; and the order for an inquiry as to

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<sup>358</sup> PRS at para 28.

<sup>359</sup> SOC at p 30, paras 1–3.

damages, or at the plaintiffs' election in the alternative, an account of profits, or statutory damages in lieu of damages, in respect of the infringement of the copyright in the 3rd plaintiff's computer software/firmware in the relevant Fuji Xerox Equipment and the infringement of the 3rd plaintiff's rights in the rights management information in such computer software/firmware.<sup>360</sup>

(c) In respect of all the plaintiffs: the order for an injunction; the order for delivery up and/or destruction upon oath; and the order for an inquiry into damages or, at the plaintiffs' election in the alternative, an account of profits for the passing-off by the defendant.<sup>361</sup>

225 I ordered the defendant to pay all sums which may be found to be due to the plaintiffs, with interest to run on such sums as may be found due at the rate of 5.33% from the date of judgment till payment.

226 As this trial was bifurcated, I ordered that the Registry was to conduct pre-trial conferences for the purpose of following up on the subsequent proceedings in respect of any inquiry into damages or account of profits. The Registrar conducting these pre-trial conferences shall give directions and timelines for the plaintiffs to make the necessary election in respect of the orders for an inquiry into damages or in the alternative an account of profits (and as another alternative, statutory damages in lieu of damages in the case of the infringement of the 3rd plaintiff's copyright in the software/firmware and rights management information).

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<sup>360</sup> SOC at pp 31–32, paras 4–6.

<sup>361</sup> SOC at pp 32–33, paras 8–10.

***Additional damages***

227 In respect of the 3rd plaintiff’s claim for additional damages under s 119(4) of the Copyright Act,<sup>362</sup> it was not disputed that the aim of an award of additional damages is punishment and deterrence, rather than to benefit the plaintiff, and such an award should not translate into an extraordinary profit for the plaintiff: see the judgment of Judith Prakash J (as she then was) in *Lotus Development Corp and another v Ong Seow Pheng and others* [1996] 2 SLR(R) 514 (“*Ong Seow Pheng*”) at [45]; and also the judgment of Tay Yong Kwang J (as he then was) in *New Line Productions, Inc and another v Aglow Video Pte Ltd and others and other suits* [2005] 3 SLR(R) 660 (“*New Line Productions*”) at [110].

228 The plaintiffs submitted that it would be appropriate to fix a dollar sum per machine for which the number of machines could be the midpoint of the defendant’s estimate of 500 to 600 Fuji Xerox branded machines that it had imported in the last five years, *ie* 550 machines;<sup>363</sup> and that additional damages should be at least \$2.2 million (550 machines x \$4,000).<sup>364</sup> The defendant countered that there was no basis for awarding statutory damages, and that even if there were such basis, the extent of infringement in the present case was much narrower compared to the cases cited by the plaintiffs.<sup>365</sup>

229 Having considered the evidence and parties’ further submissions, I accepted the 3rd plaintiff’s submission that there was sufficient evidence of the

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<sup>362</sup> SOC at p 32, para 7.

<sup>363</sup> PFS at para 123.

<sup>364</sup> PFS at para 128.

<sup>365</sup> DRS 2 at para 29.

scale and flagrancy of the defendant’s operations and its deplorable conduct to warrant an award of additional damages. *Inter alia*, on the defendant’s own admission, it had imported 500 to 600 Fuji Xerox branded machines over the last five years alone,<sup>366</sup> and the evidence showed that it had blatantly advertised these as “new” Fuji Xerox machines<sup>367</sup> despite its own admission at trial that at least some of the machines it imported were used machines (see [109] above). I have also found that the evidence showed the defendant to have gone through extremely circuitous and convoluted routes to obtain the machines, which included making use of companies whose existence appeared suspect (to say the least) (see [75]–[80] and [125] above) – in order, no doubt, to obfuscate its trail. Even after receiving letters from the plaintiffs’ solicitors in 2014, the defendant continued to market and sell its offending machines.

230 However, I did not accept the 3rd plaintiff’s submission that the additional damages should be computed by reference to the defendant’s profit per sale of Offending Machine and quantified globally at \$2.2 million. There appeared to me to be no basis for the proposition that additional damages be quantified in this manner. I reiterate that additional damages are punitive in nature and are not meant to benefit a plaintiff by way of extraordinary profit. I also note that in the CA’s decision on the appeal in *Ong Seow Pheng* (in *Ong Seow Pheng and others v Lotus Development Corp and another* [1997] 2 SLR(R) 113 at [56]), the CA reduced the additional damages awarded to the plaintiffs from US\$200,000 to US\$100,000 after finding that, although the defendants had dealt in 6,720 infringing copies of the plaintiffs’ manuals and 31 infringing copies of their software programmes, there was no evidence of the

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<sup>366</sup> Transcript, 6 January 2021 at p 39, line 30–p 40, line 6.

<sup>367</sup> AB Vol 5 at p 1289; AB Vol 9 at pp 2284, 2287–2288.

defendants having further authorised retailers to make copies of the plaintiffs' computer programmes (at [36]). In *New Line Productions*, Tay J (as he then was) awarded the plaintiffs additional damages in the total sum of \$99,940, being 9,994 sets of imported VCDs multiplied by \$10 – but this was not a computation which he tied to any profits shown to be made by the defendants (at [112]).

231 In the present case, I was of the view that taking into account the factors considered by the courts in *Ong Seow Pheng* and in *New Line Productions* (including the scale of the defendant's operations, the lengths it went to in order to avoid detection of its wrongful activities, and the extent to which it had enriched itself at the expense of the copyright owner), a sum of \$100,000 should be awarded to the 3rd plaintiff as additional damages under s 119(4) of the Copyright Act.

### **Conclusion**

232 The plaintiffs having succeeded on most of their claims on liability, I was of the view that the costs of the plaintiffs obtaining judgment on liability (including the costs of the trial before me) should follow the event. I ordered that costs were to be paid by the defendant to the plaintiffs, to be taxed if not agreed within two weeks from the date of my decision. The costs of any

subsequent inquiry into damages or account of profits were reserved to the court having conduct of such inquiry or accounting.

Mavis Chionh Sze Chyi  
Judge of the High Court

Lim Ying Sin Daniel (Joyce A. Tan & Partners LLC) (instructed),  
Ch'ng Chin Leong James and Tan Sher Meen (A. Ang, Seah & Hoe)  
for the plaintiffs;  
Koh Chia Ling and Quek Yong Zhi Timothy (OC Queen Street LLC)  
(instructed), Tan Guodong and Bryan Soon Wei (Ella Cheong LLC)  
for the defendant.

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