

Fila Sport S p A v Ramesh Tulsidas Wadhvani trading as P T International Corporation and
Another
[2002] SGHC 35

Case Number : OS 601291/2001
Decision Date : 25 February 2002
Tribunal/Court : High Court
Coram : Lai Siu Chiu J
Counsel Name(s) : Mark Lim with Gene Kwek (Wong & Leow LLC) for the plaintiffs; Paul Teo (Drew & Napier LLC) for the defendants
Parties : Fila Sport S p A — Ramesh Tulsidas Wadhvani trading as P T International Corporation; Rising Sports Pte Ltd

Judgment

GROUNDS OF DECISION

1. This was an appeal by the plaintiffs and a cross-appeal by the defendants, against the decision of the Assistant Registrar. The Assistant Registrar had refused the plaintiffs' application for discovery but had granted leave to the plaintiffs to administer Interrogatories on the first defendant. After hearing the arguments, I allowed both the plaintiffs' and the defendants' appeals. The first defendant and the plaintiffs have now appealed against my decision (in Civil Appeals No. 600143/2001 and No. 600144/2001 respectively).

Background

2. The plaintiffs are part of the **Fila** Group of Companies which are well-known manufacturers and retailers of sports apparel and footwear. The plaintiffs are the proprietors of the following registered trademarks in Singapore:

- (i) TM No. B77477 (**FILA** logo) in Class 25 in respect of "sports clothing, stockings and shoes"; and
- (ii) TM No. 81702 (**FILA** [stylised]) in Class 25 in respect of "articles of sports clothings, stockings and shoes" (hereafter collectively referred to as the 'trade marks').

The first defendant is the sole-proprietor of PT International Corporation. The second defendant is a company incorporated in Singapore, of which the first defendant is a director and a majority shareholder, holding 90,000 of the 100,000 paid-up shares in the company. Both defendants share the same office premises at 102F, Pasir Panjang Road #06-07, Citilink Warehouse Complex, Singapore 118530.

3. The plaintiffs took out this Originating Summons requesting for pre-action discovery and Interrogatories with a view to commencing an action against the first and second defendants for trade-mark infringement. In the affidavit in support of the application, the plaintiffs' representative stated that more than 70,000 pairs of FILA Tomaia-style sandals bearing counterfeits of the **FILA** and **FILA** logo trade-marks had been seized pursuant to various raids conducted in Italy. Six container loads of FILA Eurojogger-style sports shoes bearing counterfeits of the **FILA** and **FILA** logo trade-marks had also been seized during a raid in Sweden. The plaintiffs alleged that the counterfeit FILA Tomaia-style sandals and FILA Eurojogger-style sports shoes were imported into Italy and Sweden by a Swiss company known as Deseel GmbH (Deseel). Deseel informed the plaintiffs that the counterfeit

products had been obtained from the defendants; a copy of an invoice together with shipping documents were annexed to the affidavit in support of this allegation. The invoice, which was issued by PT International Corporation and addressed to Deseel, showed that 57,600 pairs of FILA Tomaia-style sandals were shipped from Singapore to Genoa, Italy by the first defendant.

4. In prayers 1 and 3 of the application, the plaintiffs requested the first and second defendants to each file an affidavit stating whether the following documents are or have been in their possession, custody or power and, if not now in their possession, custody or power, when they had parted with the same and what had become of them:

(a) purchase orders, invoices, delivery order, receipts or any other documents relating to the sale or supply of FILA Tomaia-style sandals, FILA Eurojogger-style sports shoes and/or any products bearing the word **FILA** or the "F" device (FILA products) by the defendants to Deseel GmbH;

(b) correspondence between the defendants and Deseel GmbH relating to the sale or supply of FILA Tomaia-style sandals, FILA Eurojogger-style sports shoes and/or other FILA products;

(c) purchase orders, invoices, delivery orders, receipts or any other documents relating to the sale or supply of FILA Tomaia-style sandals, FILA Eurojogger-style sports shoes and/or any other FILA products by the defendants to any other parties, apart from Deseel GmbH;

(d) correspondence between the defendants and any other parties (apart from Deseel GmbH) relating to the sale and supply by the defendants of FILA Tomaia-style sandals, FILA Eurojogger-style sports shoes and/or any other FILA products;

(e) purchase orders, invoices, delivery orders, receipts or any other documents relating to the sale or supply of FILA Tomaia-style sandals, FILA Eurojogger-style sports shoes and/or any other FILA products from the defendants or vice versa;

(f) correspondence between the first defendant and the second defendant relating to the sale or supply of FILA Tomaia-style sandals, FILA Eurojogger-style sports shoes and/or any other FILA products;

(g) purchase orders, invoices, delivery orders, receipts or any other documents relating to the purchase, procurement or acquisition by the defendants of FILA Tomaia-style sandals, FILA Eurojogger-style sports shoes and/or any other FILA products;

(h) correspondence between the defendants and their supplier/s relating to the purchase, procurement or acquisition by the defendants of FILA Tomaia-style sandals, FILA Eurojogger-style sports shoes and/or any other FILA products.

5. The plaintiffs applied in prayers 2 and 4 for an order that the defendants allow them within 14 days from the date of the order, to inspect the originals or copies of the above documents and to make copies thereof.

6. In prayers 5 and 7 of the application, the plaintiffs applied for leave to administer the following Interrogatories to the first and second defendants before the commencement of proceedings:

(1) Have you ever had any business dealings with a Swiss company known by the name of Deseel GmbH?

(2) If the answer to (1) is in the affirmative:-

(a) state in detail how you came to know Dieseel GmbH;

(b) name the individual/s in your business who deals with Dieseel GmbH;

(c) name the individual/s in Dieseel GmbH who dealt with the individual/s in your business:

(d) state whether you at any time sold or supplied to Dieseel GmbH FILA Tomaia-style sandals, FILA Eurojogger-style sports shoes and/or any other FILA products?

(3) Did you at any time sell or supply FILA Tomaia-style sandals and/or FILA Eurojogger-style sports shoes and/or any other FILA products to any other party?

(4) If the answer to (3) is in the affirmative:-

(a) state in detail how you came to know the party identified in your answer to question (3) above;

(b) name the individual/s in your business who deals with the party identified in your answer to question (3) above;

(c) name the individual/s in the party identified in your answer to question (3) above who dealt with the individual/s in your business:

(5) Who did you obtain the FILA Tomaia-style sandals and/or FILA Eurojogger-style sports shoes and/or any other FILA products from?

(6) State in detail how you came to know the party or parties identified in (5) above;

(7) Name the individual/s in your business who dealt with the party or parties identified in (5) above; and

(8) Name the individual/s in the party or parties identified in (5) above with whom you dealt with.

7. The plaintiffs applied in prayers 8 and 9 for an order that the defendants answer the Interrogatories set out above and for leave to be granted to the plaintiffs to use the documents and/or information disclosed pursuant to the orders against the defendants.

The decision below

8. The Assistant Registrar refused to grant an order for discovery of the documents set out above, but leave was granted to administer Interrogatories in para 6(1) and (2) to the first defendant before the commencement of proceedings. The first defendant was ordered to answer the Interrogatories and file and serve the Answers on the plaintiffs within 14 days of the order. The Assistant Registrar did not grant leave to the plaintiffs to administer Interrogatories to the second defendant.

9. The plaintiffs appealed against the Assistant Registrar's decision in refusing to grant an order for

discovery, in not allowing Interrogatories set out in para 6(3) to (8) to be administered to the first defendant and, in not granting leave to administer Interrogatories to the second defendant. Conversely, the defendants appealed against the decision to grant leave to administer the Interrogatories set out in para 6(1) and (2) above.

Order for discovery

10. Before me, counsel for the defendants submitted that there was a real likelihood that the disclosure as requested by the plaintiffs would expose the defendants to prosecution under s 49 of the Trade Marks Act Cap 332 (the Act). It is well-established in Singapore that the privilege against self-incrimination applies to pre-trial discovery and is not abrogated or affected by s 134 of the Evidence Act Cap 97; (see *Riedel-de Haen Ag v Liew Keng Pang* [1989] SLR 460, *Guccio Gucci SpA v Sukhdav Singh* [1992] 1 SLR 553, *Lee Thin Tuan v Louis Vuitton* [1992] 2 SLR 273). A defendant will be entitled to rely on the privilege if there is a real or appreciable risk that incriminating answers will expose the defendant to arrest or prosecution for any criminal offences (*Riedel-de Haen Ag v Liew Keng Pang*). Section 49 of the Act states:-

Any person who –

(a)

(b) sells or exposes for sale; or

(c)

Any goods to which a registered trade mark is falsely applied shall, unless he proves that –

(i) having taken all reasonable precautions against committing an offence under this section, he had, at the time of the commission of the alleged offence, no reason to suspect the genuineness of the mark and on demand made by or on behalf of the prosecution, he gave all the information in his power with respect to the persons from whom he obtained the goods; or

(ii) he had acted innocently,

be guilty of an offence and shall be liable on conviction to a fine not exceeding \$10,000 for each goods or thing to which the trade mark is falsely applied (but not exceeding in the aggregate \$100,000) or to imprisonment for a term not exceeding 5 years or to both.

11. Counsel for the plaintiffs, on the other hand, argued that the defendants were not entitled to claim the privilege against self-incrimination, as the privilege has been abrogated by s 134 of the Evidence Act and that the line of authorities established by *Riedel-de Haen Ag v Liew Keng Pang* should not be followed. Counsel for the plaintiffs cited authorities from Malaysia (see *Television Broadcasts Ltd v Mandarin Video Holdings Sdn Bhd* [1983] 2 MLJ 346; *AG of Hong Kong v Zauyah Wan Chik And Others* [1995] 2 MLJ 620) and India, which held that the privilege against self-incrimination had been abrogated by their equivalent to our s 134 of the Evidence Act. Counsel also drew the court's attention to the position in England where (arising from the House of Lords' decision in *Rank Film Distributions Ltd v Video Information Centre & Others* [1982] AC 380 which decision our courts

followed), the privilege had been statutorily withdrawn in intellectual property matters (by virtue of s 72 of the Supreme Court Act 1981) and where the privilege had been criticised in the context of civil proceedings. Section 134 of the Evidence Act states: -

(1) A witness shall not be excused from answering any question as to any matter relevant to the matter in issue in any suit, or in any civil or criminal proceeding, upon the ground that the answer to such question will criminate, or may tend, directly or indirectly, to criminate, such witness, or that it will expose, or tend, directly or indirectly, to expose, such witness to a penalty or forfeiture of any kind, or that it will establish or tend to establish that he owes a debt or is otherwise subject to a civil suit at the instance of the Government or of any other person.

(2) No answer which a witness shall be compelled by the court to give shall subject him to any arrest or prosecution, or be proved against him in any criminal proceeding, except a prosecution for giving false evidence by such answer.

(3) Before compelling a witness to answer a question the answer to which will criminate or may tend, directly or indirectly, to criminate such witness, the court shall explain to the witness the purport of subsection (2).

12. The first defendant had admitted in his affidavit that the goods as disclosed in the shipping documents were supplied to Deseel by him, but claimed he honestly believed those goods were genuine. The first defendant stated in his affidavit that he was claiming the privilege against self-incrimination, as he had been advised by his solicitors that to reveal any particulars of transactions relating to the allegedly counterfeit FILA goods would expose him to a real risk of being prosecuted for offences under the Act. The second defendant stated in its affidavit that it did not deal with Deseel in respect of the sale of the allegedly counterfeit FILA goods and also claimed the privilege against self-incrimination.

13 I was of the opinion that the first defendant was not entitled to rely on the privilege against self-incrimination. This was because he had admitted that he supplied the goods to Deseel as disclosed in the shipping documents; he had already incriminated himself. Apart from his admission, the invoice clearly showed that the first defendant had apparently supplied 57,600 pairs of FILA Tomaia-style sandals to Deseel. Consequently, the first defendant could not claim the privilege in any event.

14. In respect of the second defendant, counsel for the plaintiffs submitted (as an alternative to the submission that the privilege had been abrogated in Singapore), that the privilege against self-incrimination was not available to a company. Reliance was placed on Australian and American authorities, which held that the privilege only applied to natural persons and did not extend to incorporated companies. There was no necessity in this regard to determine whether in Singapore the privilege against self-incrimination could be relied on by companies since, there was no basis for an order of discovery to be made against the second defendant in the first place. I was however inclined to accept the argument of counsel for the plaintiffs that a company is not entitled to claim privilege under s 134 of the Act, based on the strict wording of subsections (1), (2) and (3). I note in this regard that none of the authorities cited by counsel for the defendants (para 10 supra) involved companies but individuals as defendants. Even so, the second defendant in its affidavit had denied any involvement with Deseel in respect of the sale of the allegedly counterfeit FILA goods; this was not disputed by the plaintiffs. There was also no evidence to suggest that the second defendant was involved in the supply of FILA goods to Deseel.

15. Consequently, I made the following orders for discovery:

1. That the first defendant do within seven (7) days from the date of the order make and file an affidavit stating whether any of the following documents are or at any time have been in his possession, custody or power and, if not now in his possession, custody or power, when he parted with the same and what has become of them:-

purchase orders, invoices, delivery order, receipts or any other documents relating to the sale or supply of FILA Tomaia-style sandals and/or FILA Eurojogger-style sports shoes by the first Defendant to Diseel GmbH, restricted to the approximately 70,000 pairs of FILA Tomaia-style sandals seized in Italy and the six container loads of FILA Eurojogger-style sports shoes seized in Sweden.

2. That the first defendant do within fourteen (14) days from the date of the order allow the plaintiffs to inspect the originals (or copies, if originals are not available) of all documents disclosed pursuant to (1) above and to allow the plaintiffs to make copies thereof.

Interrogatories

16. Counsel for the first defendant submitted that the Interrogatories in para 6(1) and (2)(a) to (d) were irrelevant as they concerned matters which were not part of a potential civil action and, that the questions were the plaintiffs' attempt to obtain information for the purposes of criminal proceedings. In particular, counsel contended, the Interrogatory in (1) was unnecessary since the first defendant had already confirmed that it had supplied the goods disclosed in the shipping documents to Diseel. Counsel claimed that as question (2)(d) was an attempt to uncover past acts of infringement by the first defendant, the first defendant was entitled to rely on the privilege against self-incrimination.

17. I was of the opinion that the Interrogatories allowed below should be administered to both and not only to the first, defendants. This was because the invoice and the shipping documents clearly showed that the first defendant had indeed dealt with Diseel and, the first defendant was a director and a majority shareholder of the second defendant which shared premises with the first defendant. However, under O 26A r 2 of the Rules of Court, it was not necessary at this preliminary stage for Interrogatories (2)(a) to (c) to be administered to the first defendant – the plaintiffs can always re-apply for the same Interrogatories to be administered to the first defendant at or after the discovery stage, once action has been commenced.

18 At the conclusion of the hearing, I allowed the plaintiffs to administer the following Interrogatories to both defendants before commencement of proceedings:

(1) Have you ever had any business dealings with a Swiss company known by the name of Diseel GmbH?

(2) If the answer to (1) is in the affirmative, state whether you have sold or supplied to Diseel GmbH FILA Tomaia-style sandals and/or FILA Eurojogger-style sports shoes which form part of the goods seized by the plaintiffs in Italy and in Sweden.

to be answered within 14 days of the date of the order.

19. Interrogatory 2 above was a revised and restricted version of the original Interrogatory 2(d) the plaintiffs had applied to administer to both defendants. I had limited the scope of the question to those goods the plaintiffs had already seized in Italy and Sweden, instead of allowing the plaintiffs to obtain information generally on whether the defendants had sold/supplied to Diseel '*any/or any other FILA products*'. I was of the view that Interrogatories should not be used by trade-mark proprietors as a *carte blanche* to obtain any information they chose, as a substitute (and an easy one at that) for their own investigations into possible infringement of their trade-marks/trade-names and above all, the procedure should not be misused to shift the burden of disproving the infringement, onto the other party resisting the application.

Sgd:

LAI SIU CHIU
JUDGE

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