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## PATENTS, TRADE MARKS & DESIGNS

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# Recent developments

IP jurisprudence in Singapore is maturing well. **Winnie Tham** and **Jason Chan** of **Amica Law** highlight two key cases by way of illustration

## The Aman decision

Singapore has had protection of well-known trade marks in its trade mark legislation since 2004. *Amanresorts Ltd and Another v Novelty Pte Ltd* [2007] SGHC 201 is significant as the first High Court decision in Singapore to delve into this issue.

Amanresorts owns or operates 18 resort hotels under the Aman name around the world and is known for its individual and uniquely sculpted resorts nestled in picturesque and idyllic locations.

Aptly, *aman* means peace or peaceful. Amanusa is the name of Amanresort's property in Nusa Dua, Bali, Indonesia. So when a local developer of real estate in Singapore chose "Amanusa" as the name of its new condominium project in Singapore, touted as having the atmosphere and architectural style of a Bali resort, Amanresorts felt aggrieved and sought to restrain the use of "Amanusa". Without the benefit of a registered trade mark in Singapore (the mark had been abandoned), Amanresorts had to rely on suing for the tort of passing-off and for the infringement of a well-known trade mark.

The court first dealt with passing-off. In terms of goodwill, the court found that Amanresort's "Amanusa" name was distinctive, given that it had no meaning in the Indonesian language and comprised a "portmanteau word invented through the clever use of intentional syntax error coupled with syncopation by dropping one 'n'". The next issue was that of the likelihood of misrepresentation. The court considered the relevant section of the public, which encompasses a few categories: those Singapore citizens or residents who had visited or are prospective visitors to Aman resorts, foreign individuals and corporations in Singapore intending to visit the resorts or seeking to invest in high-end properties and developers and hoteliers interested in becoming licensees of the Aman brand names. Applying the facts, the court found that the plaintiffs' brand names "Aman" and "Amanusa" possessed goodwill in

Singapore, as evidenced by their nearly two decades of history, their huge sales revenue and their substantial promotional and marketing expenditure. It was not necessary for there to be an Aman resort in Singapore. This was immaterial, as was the fact that the plaintiffs did not advertise through the traditional media of newspapers and television. Evidence of the plaintiffs' presence in other channels such as promotional materials to travel agents, collaboration with airlines and credit card companies in targeting high-net-worth individuals, their newsletters to customers in Singapore and elsewhere and their more than 20 domain names on the internet was thought to be relevant.

The court held that direct mutual competition between the parties is not required and that the dividing line between residential and hotel or resort developments is blurred. The court also accepted that brand names do not usually confine themselves to the original products or services that made them famous, notwithstanding that these may remain their core competence. Taking all of this into account, the judge found that there was a clear nexus between the trade marks. The identical name, coupled with the fact that the relevant section of the Singapore public know of Aman resorts, would give the impression that Novelty's condominium is somehow related or connected to Aman resorts, whether by way of licence to use the name or whether it has been endorsed or will be managed by Amanresorts in future. It may even convey the wrong impression that Amanresorts is involved as a developer. As such, there was passing-off, even if a fraudulent intention to deceive was absent.

With regard to damage, it was held there was no actual damage occasioned. However, the court recognised that in this case "the most potent form of likely damage is the intangible loss that may be occasioned by the insidious process of dilution such that the famous name loses its uniqueness or, worse, such that the name which inspired hushed awe could in future evoke sup-

pressed laughter because of the association with projects that do not quite exude the same luxury and class or quality of upkeep, especially when residential projects have begun to show their age". Loss of potential licensing revenue, the possibility of an "Aman" series springing up and prejudice in future commercial plans to expand into residential developments were also indicators of likely damage.

The second ground in the plaintiffs' claim was based on well-known marks. The court also found that

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## **"Trade mark owners with internationally recognisable brands can rely on the well-known trade marks regime to protect their rights in Singapore"**

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Amanusa should be regarded as a well-known trade mark in Singapore: the absence of an Aman resort in Singapore is immaterial. The relevant sector of the public were identified as being actual or potential consumers of Aman resorts rather than the defendants' consumers and, as in passing-off, the relevant date was the date on which the defendant started marketing their project. The court held that:

"The plaintiffs have used the name "Aman" and its trade marks containing the prefix "Aman" for their resorts and services. They have also used such names at promotional events, for donations to charitable functions and on brochures. The Aman resorts have a wide geographical reach. They are spread over 12 countries, including south-east Asian ones like Indonesia, Thailand and the Philippines. Further, the plaintiffs are involved in new accommodation in many countries. Their resorts have been lauded as the best resort chain by periodicals here and elsewhere."

Other relevant indicators were the plaintiffs' trade mark registrations and the fact they were previously proprietors of the Amanusa trade mark in Singapore. There were also two domain name decisions of the administrative panels of the World Intellectual Property Organisation, which acknowledged that Amanresorts was well-known. These factors indicated that the Aman name is well-known in Singapore and would have a high degree of recognition in the relevant sector.

Under the well-known trade marks regime, the fact that the goods or services are different from the defendant's is not a bar. What is required is for the trade mark owner to show that the offending use will be taken to indicate a connection between the goods or services of the defendant and himself and that this is

likely to damage his interests. The judge took a liberal interpretation of the tests to be adopted for the terms "connection" and "likely to damage the interests of the proprietor", similar to that in passing-off claims. As for the likelihood of damage, that would have to be established objectively and be supported by sufficient evidence.

Accordingly, Amanresorts succeeded in the claims and an injunction was granted to restrain the defendant from using Amanusa in relation to any form of accommodation. The injunction was however not extended to include all words with the *aman* prefix. No damages or an account of profits was granted because there was no immediate or prospective damage. An appeal has been heard and we wait with interest to

hear what the Court of Appeal has to say. Until then, this case confirms that trade mark owners with internationally recognisable brands can rely on the well-known trade marks regime to protect their rights in Singapore.

### **The Main Line decision**

Under the Singapore Patents Act, an invention must involve an inventive step. This is defined as being a step that is not obvious to a person skilled in the art, having regard to any matter that forms part of the state of the art. "State of art" is defined to comprise all matter, whether a product, process, or information about either, or anything else, made available to the public whether in Singapore or anywhere else before the priority date of the invention. In the recent decision of the Court of Appeal in *UOB and First Currency Choice v Main Line Corporate Holdings* [2008] 1 SLR 335, the application of the test of inventive step, having regard to common general knowledge, was carefully considered by the Court of Appeal.

The brief facts of the case are as follows. Main Line is the owner of a patent in Singapore in respect of a "Dynamic currency conversion for card payment systems". It sued a local bank, United Overseas Bank (UOB), for patent infringement for the use of a system offered by a competitor company, First Currency Choice. The patent covers a method and system to determine the operating currency for processing a transaction for a credit, charge or debit card at the point of sale between a merchant and a cardholder, without the need for manual selection or intervention by the merchant or cardholder to identify the card's operating currency. This is done by extracting a series of digits known as an "identifier code" from the payment card, known

as “primary account numbers”, and comparing the code against a table of currencies known as the “bank reference table”. This table was constructed by the patentee and stores a portion of the primary account number and associated currency code for each bank. The identity of the bank and operative currency of the payment card would be ascertained through this automatic “look-up and associate” process.

UOB and First Currency challenged the patent on the ground of lack of novelty and an inventive step, as well as that the specification was not disclosed clearly and completely for the patent to be performed. On appeal, the challenge to novelty was dropped and the focus was on the inventive step, principally on the basis that the first six digits of a payment card were already used to determine the identity of the bank that issued the payment card, for payment authorisation and settlement purposes, although not the operative currency.

In respect of the lack of inventive step, the Court of Appeal affirmed the four-step test in *Windsurfing International Inc v Tabur Marine*. This has been applied in many previous patent cases, including *Merck & Co v Pharmaforte Singapore and Dextra Asia v Mariwu Industrial*. Basically, the test requires the court to identify the inventive concept of the patent in suit and thereafter, assuming the mantle of a normally skilled but unimaginative addressee possessing common general knowledge of the relevant state of the art, to determine whether the differences between the inventive concept and matters known or used were obvious to this skilled addressee, or whether any degree of inventiveness was required.

However, what was significant to patent law practitioners were the observations made by the court in relation to the otherwise established

applicability of *Windsurfing* and what common general knowledge means and encompasses. While affirming that *Windsurfing* remained good law, the court also observed that the test was merely a pragmatic guide to interpreting and determining the inventiveness requirement in the Patents Act and cautioned against its rigid application in all situations. Rather, the court observed that in appropriate cases it was entirely permissible to simply ask the question whether the invention was so obvious that it would at once occur to anyone acquainted with the subject and desiring to accomplish that end.

The court then went on to explain what is common general knowledge and in the process also clarified the confusion between general prior art and common gen-

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Winnie has a bachelor of laws (Hons) and a bachelor of science degree with a major in pharmacology and a minor in biochemistry. She is a registered patent agent and an advocate and solicitor of the Supreme Court of Singapore. Winnie is called to the Bar of the Supreme Court of Victoria, Australia. She is a member of the executive committee and editorial committee of the Asian Patent Attorneys Association, as well as a member of the patent examination committee of the Board of Patent Examiners. She has been consistently recommended as one of Singapore’s leading intellectual property lawyers by *The Asia Pacific Legal 500* (2001/2002, 2002/2003, 2003/2004, 2004/2005 and 2005/2006, 2006/2007), *Legal Media Group’s Guide to World’s Leading Patent Law Practitioners 2007*, *World IP Contacts 2007 by Managing IP*, *Who’s Who Legal 2008* and *AsiaLaw Leading Lawyers 2008*.

### Jason Chan



Jason Chan is a director with Amica Law LLC. He has over 14 years of experience in IP and technology disputes and has been involved in several significant IP cases in Singapore. These include infringement cases involving copyright in films, and patents for an electronic storage device. He manages anti-piracy programmes for major companies. He also advises on telecommunications law and agreements, IT, software, database and privacy, internet and domain name disputes. He is recommended in the *Legal Media Group’s Guide to the World’s Leading Patent Law Practitioners 2007*, *World IP Contacts 2007 by Managing IP*, *Who’s Who Legal 2008* and *AsiaLaw Leading Lawyers 2008*.

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eral knowledge. For novelty, the standard is absolute: any and all matter made available to the public is sufficient to invalidate a patent. However, for inventive step, despite the broad requirement in the Patents Act of having regard to any publicly-available matter, the court clarified that common general knowledge of the notional skilled addressee should only be taken to have regard to those state of the art matters that are known, or ought to have been known, to a diligent searcher. In other words, the applicable state of art for

common general knowledge unless proven to be well-known to those in the art.

In the *Mainline* case, the appellants argued that the inventive concept was not the automatic detection or recognition of a payment card's operative currency, nor the use of a bank currency table, as bank identification numbers were already used to identify the card issuer. The Court of Appeal disagreed, finding that bank identification numbers were previously only used for routing authorisation and settlement purposes, not for identification of a payment card's operative currency. As no the other party had introduced a system or the technical means to implement the automatic process of deciphering a payment card's operating currency at the point of sale, the patented invention was inventive.

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## **“Until Mainline, local patent case law often lacked any substantive discussion of what common general knowledge should be taken to encompass”**

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an inventive step inquiry is significantly reduced. This approach appears consistent with the definition of common general knowledge found in *Raychem's Patents*, which was defined to include “all material in the relevant field which he knows exists and which he would refer to as a matter of course if he cannot remember it and which he understands is generally regarded as sufficiently reliable to use as a foundation for further work and to help understand the pleaded prior art”. It is not limited to material he has memorised and has at the front of his mind. In the case, in relation to a patent, the court observed that individual patent specifications and their contents will not normally form part of the notional skilled addressee's

Until *Mainline*, local patent case law often lacked any substantive discussion of what common general knowledge should be taken to encompass. The common general knowledge of a skilled addressee is of critical importance in assessing inventive step. The remarks and clarification of the court in *Mainline* is another step towards the development of a mature body of patent jurisprudence in Singapore.

The *Amanresorts* and *Mainline* decisions represent the continuing development and maturity of IP law and jurisprudence in Singapore, with courts unafraid to take into account local requirements and objectives while continuing to be mindful of international standards and practices.

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