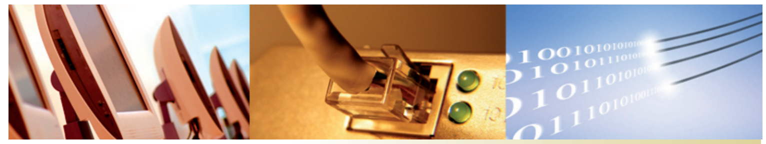

AMICA LAW LLC NEWS

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REVIEW OF DEVELOPMENTS IN 2008

CASE NOTE – TRADE MARKS

Amanresorts Limited and Another v Novelty Pte Ltd
[2007] SGHC 201

The Amanresorts decision is the first local case on well-known trade marks, providing some useful guidance on how the court will regard whether a trade mark is entitled to protection as a well-known trademark.

The Plaintiff is the operator of the "Aman Resorts" group of resort properties located in 18 different countries around the world. It owns trade mark registrations for the "AMAN" trade mark, as well as other trade marks with the prefix "AMAN", including "Amanusa", which is the name of one of their properties located in Bali, Indonesia. The Plaintiff however did not register "Amanusa" in Singapore as a trade mark.

The Defendant is a real estate developer in Singapore and chose "Amanusa" as the name for a condominium project. The Plaintiff objected to the name and sued for passing-off and a fraudulent intention to deceive. It also sought a declaration that the "Amanusa" and "Aman" marks are well-known trademarks within the meaning of section 55 Trade Marks Act.

As regards the claim for passing-off, the Court found that "Amanusa" is distinctive, being a "portmanteau word invented through the clever use of intentional syntax error coupled with syncopation by dropping one 'n'". No such word existed in the Indonesian language. As for the principal brand "Aman", although that is an Indonesian word that means "peace" or "peaceful", it should be regarded as a fanciful trade mark when used in relation to hotels and resorts and hence was entitled to protection.

Although the parties are not in direct competition, the Court accepted that there is no reason to confine brand names to the original products or services which made them famous, despite such products or services being their core competence. The Court also recognized that the dividing line between purely residential and luxury hotel developments is no longer pronounced.

Taking the above into account, the Court concluded that there is a real likelihood of passing off. The Defendant's condominium project bears the same name as the Plaintiffs' Bali resort, marketed as having the atmosphere of a Balinese resort and designed with Balinese architectural features. There is also a significant number of the public who would have heard of "Aman" resorts, including the "Amanusa" in Bali. The use of "Amanusa" would deceive the public into the belief that the condominium project is somehow related or connected to the Plaintiffs', perhaps by way of licence, or that the project is endorsed and managed by the Plaintiff. Whilst no fraudulent intention to deceive was established, there was nonetheless passing off.

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Well known mark
The court also agreed that "Amanusa" is a well-known trade mark in Singapore. The fact that there is no "Aman" resort in Singapore is immaterial, given that the mark has goodwill in Singapore through nearly two decades of history, substantial sales revenue and promotion worldwide, visibility through promotions with travel agents, airlines and credit card companies, as well as the registration of over 20 domain names in Singapore.

Under this ground of well known marks, one of the limbs which the Plaintiffs could succeed is to establish that the Defendants use of the trade mark is in the course of trade and without the proprietor's consent, and is identical with or similar to the proprietor's trade mark, in relation to any goods or services. The use of the trade mark must indicate a connection between those goods or services and the proprietor, and is likely to damage the interests of the proprietor.

Consequently, the court ordered an injunction to restrain the Defendant from using "Amanusa" in relation to any form of accommodation and declared that "Amanusa" is a well-known trade mark. No damages or an account of profits was granted because there was no immediate or prospective damage that had or will result.

The appeal of the defendants to the Court of Appeal has been heard and judgment has been reserved.

Observations
This case is a salutary reminder to brand owners of the need to review trade mark portfolios periodically to ensure sufficient coverage in each country. The Plaintiff did not seek registration for "Amanusa" and consequently could not proceed for trade mark infringement, which could have been more straightforward. Brand owners are advised to retain as much marketing and promotional materials as possible, to demonstrate the efforts undertaken, in the event of the need to argue a claim based on well-known trade marks.

Love & Co Pte Ltd v The Carat Club Pte Ltd [2008] SGHC 158
This recent case provides a useful and compendious analysis of the registrability of trade marks and the trade mark principles of inherent and acquired distinctiveness.

The Plaintiff opened a store in Singapore bearing the name "Love & Co", specialising in rings and wedding bands. In Malaysia, the Defendant's related Malaysian company had sent a letter of demand to the Plaintiff's related company in Malaysia alleging trade mark infringement of their registration for "the LOVE Diamond", in class 14. The Plaintiff responded by issuing a letter of Demand to the Defendant in Singapore, asking that they voluntarily cancel their registration for the "LOVE" mark on the basis that it was vulnerable to revocation and invalidation under sections 22 and 23 of the Trade Marks Act. They refused to do so, and the Plaintiff commenced proceedings in the High Court to invalidate or revoke the Defendant's registered "LOVE" trade mark.

The Court had to consider whether or not the LOVE mark qualified for trade mark registration on a prima facie basis, and if not, whether there had been sufficient use of the mark to acquire distinctiveness.

The first issue was whether the mark qualified as a sign which was (i) capable of being represented graphically; and (ii) capable of distinguishing the goods or services of one trader from another. On this issue, the judge had no doubt that the simple "LOVE" mark qualified as a "trade mark". The word LOVE is not generic of jewellery, unlike for example, "jewellery" or "gold" or "diamonds". Although it is an often used by others in the jewellery industry, the Defendants demonstrated that the word "LOVE" is only descriptive of one aspect of jewellery i.e. as an expression of deep affection, but it is not generic to or synonymous with jewellery.

However, the Court then examined whether "LOVE" mark had inherent distinctiveness or possessed de facto distinctiveness through use. In this regard, the Judge held that it is necessary to consider the trade marks' intrinsic or inherent features or characteristics. The relevant question to ask (assuming there was no prior use) will be whether the average discerning consumer operating in that marketplace can readily and immediately identify the trade mark, when viewed as a whole, to be unequivocally designating the goods or services as originating from the particular trader when he first encounters the trade mark on the goods or services, or will the average discerning consumer be unclear or uncertain as to the commercial source or origin of the goods or services.

Since the word "LOVE" has been used commonly by jewellers in their marketing and promotion, and even in the labelling of their jewellery, the Judge found that "LOVE" per se is devoid of any inherent distinctive character for jewellery. The fact that other traders also use "LOVE" in a non trade mark sense served to underscore this point.

The Plaintiffs also argued that the trade mark was not registrable as it is descriptive of the goods or some characteristic including "the kind, quality, quantity, intended purpose, value, geographical origin, the time of production or the goods or of rendering of service.", as provided in section 7 Trade Marks Act. The Defendants responded that the intended purpose of the goods must be that of the recipient which is to adorn the person wearing the jewellery. Therefore, the mark is not descriptive.

The Judge held that the intended purpose must be viewed by the average purchaser, and is to be determined objectively at the time of purchase. Whilst jewellery is bought for adornment, it is also bought as gifts for loved ones. Hence, one of the intended purposes of jewellery is to use them as gifts to express love and affection. Whilst there can be many intended purposes, the correct approach is to see whether it is obvious that a particular purpose is associated commonly with the trade mark, rather than an academic analysis of whether the purpose is a primary or secondary purpose. Accordingly, the trade mark was found in breach of section 7(1)(c), as to express love is one of the intended purposes of jewellery.

Having found that the mark was not inherently distinctive and was descriptive, the court went on to consider whether there was actual use of the mark which would prove de facto distinctiveness. However, there was no evidence of use of the word "LOVE" per se, and in fact, it appeared that the Defendants used a more stylized and decorative form of "LOVE", with the intricate motif design for the "o" alphabet, or another form of the mark being "the LOVE Diamond", also in a stylised form. Also, the stylised "LOVE" mark was used sporadically and selectively, more as a part of the overall decorative design of certain jewellery pieces. In other words, neither the "LOVE" word nor the stylised "LOVE" mark were used as badges of origin. In fact, the judge opined that it seemed to him that the defendant did not sufficiently "trust" the mark to function as a trade mark.

Observations

This case serves as a timely reminder for brand owners to use their trade marks in the form as registered, and avoid descriptive or common trade marks. Even if acquired distinctiveness can be established, brand owners must remain careful to continue to promote, use and educate the public of its trade marks.

Wing Joo Loong Ginseng Hong v Qinghai Xinyuan Foreign Trade Co. Ltd and Anor [2008] SGHC 51

This case involved an application for the invalidation and revocation of a registered trade mark in Singapore. The High Court in this case also considered whether it had the discretion to preserve status quo and allow a trade mark to remain registered even if grounds for invalidation of the mark are established.

The "ROOSTER" trade mark had been used for cordyceps in China since before there was a system for registration of trade marks. In Singapore, the mark was first registered in 2001 with effect from 1995 by Qinghai Medical & Health Products Import & Export Corp of Qinghai, China for inter alia, cordyceps. The ownership of the mark was subsequently transferred to the first defendant, Qinghai Xinyuan Foreigh Trade Co. in 2003. The first defendant granted an exclusive licence to Yu Ceng Trading to use the Singapore trade mark in 2005. In the same year, Yu Ceng obtained a search warrant to raid the Plaintiff's premises and quantities of cordyceps with "ROOSTER" trade mark was seized.

The Plaintiff filed an application in court for the revocation or invalidation of the "ROOSTER" trade mark registration. In addition, the Plaintiff sought a declaration that any copyright in the labels bearing the ROOSTER trade mark does not subsist in favour of the Defendants, and that the Plaintiff did not infringed the copyright.

Application for revocation

The Plaintiff sought the revocation of the trade mark registration for the "ROOSTER" trade mark on grounds that the trade mark has become a common name in the trade for the goods or services for which it is registered due to the acts of inactivity of the trade mark owner. The Plaintiff asserted that the "ROOSTER" trade mark had been used by various companies in relation to cordyceps since the 1950s and that the "ROOSTER" mark had

been commonly associated with cordyceps from China, rather than with any particular trader. In this regard, the court held that for revocation on this basis to succeed, the trade mark must have become the common name after its registration. Where the trade mark is, as the Plaintiff alleged, already the common name in the trade before its registration, then it cannot be the result of any action or inaction of the proprietor.

The Plaintiff also sought to revoke the registration of the "ROOSTER" trade mark on grounds of non-use on the basis that it is a common name in the trade for codyceps and therefore does not function as a badge or indication of origin. The Plaintiff asserts that as the "ROOSTER" trade mark does not distinguish the goods of the Defendant from that of other traders, it had not been used in the trade mark sense and therefore should be revoked. The court held that a mark's failure to function as a badge of origin does not constitute non-use or suspension of use of the mark. The effect of such use (i.e. that it was a common name in the trade and fails to distinguish) goes instead to the question of whether the mark should be invalidated.

Application for invalidation

The Plaintiff asserted that the "ROOSTER" trade mark had become customary or generic in the trade. Evidence adduced at the trial showed that while the phrase "Rooster brand cordyceps" or "Rooster cordyceps" was readily accepted as referring to cordyceps from China, the term "Rooster" on its own does not have that effect; the "ROOSTER" mark is not synonymous with cordyceps the way "thermos" have become synonymous with vacuum flasks. Consequently, the Court did not accept that the "ROOSTER" trade mark had become customary or generic in the trade.

Discretion to maintain status quo

The Court did accept that there was evidence to show that, on the date of application of the mark in 1995, there "Rooster" mark had been used in Singapore by other suppliers besides the proprietor of the trade mark. That being the case, the court accepted that the mark failed to distinguish the proprietor's cordyceps from that of other suppliers and therefore, grounds for invalidation (i.e. that the mark does fails to distinguish and/or does not satisfy the definition of a trade mark) exist.

Having found that there was basis to invalidate the trade mark registration for the "ROOSTER" trade mark, the Court went on to consider if there was a discretion to allow the registration to continue in any event. In concluding that the power to revoke or invalidate a trade mark registration also gives the Court or Registrar the discretion not to deregister a mark if there are good reasons to do so, the Court listed several circumstances in which the power to revoke or invalidate could be exercised. They include (a) the triggering factor; (b) the conditions at the time of the application to revoke; and (c) the balance of the interests involved. The conduct of the applicant could also be a relevant factor where there was a discretion whether to revoke or invalidate a registration.

The Court found that the "ROOSTER" mark, post registration, was only being used by Defendants. Therefore, the Defendants had a legal right to commence enforcement actions against unauthorised users of the mark. Further, the Plaintiff had no interest in the mark. Therefore, upon balancing the interests the courts felt that the status quo should be maintained and the trade mark registration was permitted to remain on the Register.

Copyright

The first defendant claimed to be the owner of the copyright to the Rooster mark, and they alleged that the Plaintiff had infringed copyright by being in possession of labels, and selling cordyceps with unauthorised labels. ZJZ, managing director of the first defendant, did not make any reference to any knowledge about the creation of the Rooster mark and labels. Therefore, the first defendant's claim on the copyrights stands on a very weak foundation. As the first defendant had failed to prove its claim, and the onus of proof was on them, there was no copyright in favour of the first defendant. The Plaintiff was there granted a declaration that copyright did not subsist in the labels and therefore, there was no infringement of copyright.

Observation

This case is a timely reminder that care should be exercised to ensure that a trade mark does not become customary or generic by reason of the proprietor's failure to monitor use of the mark by other traders. Once a mark fails to function as a badge of origin, a mark can be vulnerable to revocation or invalidation unless the Court or Registrar is satisfied that there are good reasons for not deregistering the mark. In this case, the fact that the Defendant had rights in the trade mark which it had started to enforce, whereas the Plaintiff did not, and that the Defendant was the only party using the mark at the time of the application for revocation or invalidation of the mark, justified the non-removal of the mark.

CASENOTE – PATENTS

MAIN LINE CORPORATE HOLDINGS v UOB & FIRST CURRENCY CHOICE [2006] SGHC 233

We had reported this case in our previous issue. Following that report, the appeal was heard by the Court of Appeal. We now discuss the decision of the Court of Appeal.

The brief facts of the case are as follows. Main Line Corporate Holdings Limited is the owner of a patent in respect of a "Dynamic Currency Conversion for card payment systems". It sued a local bank, United Overseas Bank, for patent infringement for the use of a system offered by a competitor company, First Currency Choice.

The patent in suit covers a method and system of determining the operating currency for processing a transaction for a credit card, charge card or debit card at the point of sale between a merchant and the holder of the relevant card, without the need for manual selection or intervention by the merchant and/or cardholder to identify the card's operating currency. This is done by extracting a series of digits known as "identifier code" from the payment card, known as "Primary Account Numbers", and comparing the code against a table of currencies known as "Bank Reference Table". This table was constructed by the patentee and stores a portion of the Primary Account Number of and associated currency code for each bank. The identity of the bank and operative currency of the payment card would ascertain through this automatic "look-up and associate process".

Claim 1 of the Patent claims the following:-

> a data processing method for determining a preferred currency for association with a charge, debit or credit card transaction between a merchant and a charge, comprising the steps of:-
>
> obtaining card number of the card from the cardholder, characterized in that the method further comprises the steps of:
> identifying an identifier code from the said card number,
> determining the operating currency for said identifier code, by comparing said identifier code with entries in a table, wherein each entry in the table contains an issuer code or range of issuer codes and a corresponding currency code, and setting the currency for association with the card transaction as the determined operating currency for the issuer code.

The defendants had disputed infringement, arguing the FCC System did not infringe the Patent because it did not set the currency immediately when the card was being swiped at the point of sale, and performed the step of automatic currency detection in a different sequence. Also, the choice of currency was made only after the payment choice had been made and the FCC system did not have the option of checking to determine whether the transaction value was within the minimum and maximum range. There was no additional step of presenting the merchant's currency and converted currency for the cardholder's approval.

The Defendants also challenged the Patent on the ground of lack of novelty and inventive step, and that the specification was not disclosed clearly and completely for the patent to be performed. On appeal, the claim of lack of novelty was dropped. Instead, the Defendants attacked the inventive step, principally on the basis that the first 6 digits of a payment card were already used to determine the identity of the bank that issued the payment card, for payment authorization and settlement purposes, although not the operative currency.

On Infringement
On appeal, as regards infringement law, the Court of Appeal agreed that the scope of the monopoly must first be determined from the claims found in the patent specifications. What is not claimed is deemed to be disclaimed. Electric & Musical Industries Ltd v Lissen Ltd (1938) 56 RPC 23. In accordance with the "pith & marrow" approach, the infringing article must take each and every one of the essential integers of the claim. Where non-essential integers have been omitted or replaced by mechanical equivalents, there will still be infringement. Rodi & Wienenberger AG v Henry Showell Ltd [1969] RPC 367.

The Appellants sought to argue that their system relied on "Bank Identification Numbers" to derive the issuer code and identifier code, rather than use of Primary Account Numbers. The Court of Appeal disagreed and found that the issuer and identifier codes claimed in the Patent can include Bank Identification Numbers. In any case, the Court found that the scope of the monopoly is not so much use of the codes but whether the infringing system also performed an automatic "look up-and-associate" process. Since the Defendants' witnesses had testified that the infringing system performed currency recognition for the purposes of automatic currency conversion in the same manner as the Patent and that the infringing system fell squarely within the words of the claims, infringement was established.

On Inventive Step

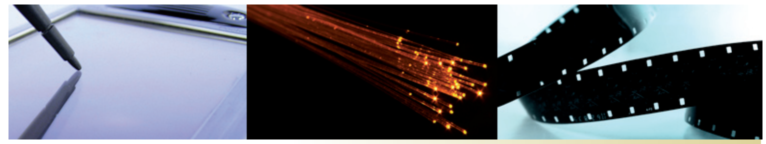
In respect of lack of inventive step, the Court of Appeal affirmed the four-step Windsurfing test. Windsurfing International Inc v Tabur Marine (Great Britain) Ltd [1985] RPC 5. Basically, the test requires the court to identify the inventive concept of the patent in suit and thereafter, assuming the mantle of a normally skilled but unimaginative addressee possessing common general knowledge of the relevant art, determine whether the differences between the inventive concept and matters known or used were obvious to this skilled addressee, or whether any degree of invention was required.

The Appellants argued that the inventive concept was not the automatic detection or recognition of a payment card's the operative currency, nor use of a bank currency table, since use of Bank Identification Numbers to identify the card issuer was already prior art. The inventive concept, they argued, must hence be the concept of using a logical structure for bank code comparison and currency association.

The Court of Appeal did not agree and cited the oral evidence of one of the Appellants' key witnesses, where it was conceded that the Bank Identification Numbers were previously used for routing authorization and settlement purposes only. These numbers had not been used before for identification of a payment card's operative currency. Critically, no 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.

Innocence

The defence of innocent infringement was also raised by UOB bank, which argued it should only be liable for damages from the time of knowledge of the patent or when it had reasonable grounds for supposing the patent existed. The Court relied on the case of John Khalil Khawan v K Chellaram & Sons [1964] 1 WLR 711 which held that it was necessary to look at whether the infringing party made the necessary investigations which a prudent man of business in the same circumstances would have made. The bank was informed of the patentee's EP patent and corresponding Singapore patent application in May 2002. By that time, it had already implemented the infringing system 7 months previously. Accordingly, the Court agreed that the bank could claim innocent infringement until May 2002, but not further to June 2003 when the patent was granted.



Observations
Although the topic was not specifically raised, the Mainline case should be seen as implicit acceptance that business methods can be the proper subject for patent protection, following the removal of the previous exclusions against patenting schemes or methods.

The finding that notice of a pending application is sufficient to prevent the operation of the defence of innocent infringement is also significant. Previously, it was believed that it was only useful to provide notice to a granted patent. As a result of Mainline, it may be prudent for patentees to consider providing notice of their patent applications once they are filed.

CASENOTE – COPYRIGHT

Virtual Map (Singapore) Pte Ltd v Singapore Land Authority [2008] SGHC 42
The Singapore High Court in Virtual Map considered afresh allegations of infringement of copyright made against a company which provided digital maps by the statutory body charged with management of land resources.

The case generated a lot of public interest as the map company, Virtual Map, had previously gained a fair amount of notoriety for demanding license fees from companies which had reproduced maps from a map website managed by Virtual Map without realizing that the maps were copyright protected.

Virtual Map ("VM") held seven license agreements obtained from the Singapore Land Authority ("SLA") which allowed VM to utilize street maps and address point data in vector format ("copyright works"). SLA terminated the licenses in July 2004, in accordance with the licence agreements. Despite the termination, it was alleged that VM continued to use the copyright works as the basis for its digital maps. VM claimed that the digital maps were independently made and there was no copyright infringement. Consequently, SLA commenced action against VM in the Subordinate Courts for copyright infringement which resulted in judgment being awarded in SLA's favour.

In its appeal to the High Court, VM conceded that SLA had copyright in the works in question but maintained that they have not infringed the copyright in the works as there had no copying or substantial reproduction of the works in question. Alternatively, VM contended that they had an implied right to continue use of the works in question notwithstanding the termination of the licence agreements as there was no express clause in the licence agreement that required the deletion or destruction of SLA's maps after the termination of the licence agreements.

Infringement of Copyright
On the first issue, the High Court found that VM was unable to provide an explanation of its independent map-making process. Experts called by the parties both opined that making of digital maps involves an intricate process of conversion from raster data to vector data, which requires the expertise of

an experienced surveyor to undertake, as well as set of parameters that the map designer needs to follow himself in order to ensure consistency in the final product.

SLA demonstrated that there were a considerable number of "fingerprints" in VM's digital maps, which proved that VM had copied the copyright works and did not independently made them. These fingerprints included intentional mistakes as well as genuine mistakes in the copyright works. The irregularities in SLA's naming of buildings were also imitated in VM's maps.

The court did not find the claim by VM that the mistakes were a result of coincidence to be credible. The persons from VM who were claimed to be involved in the map-making process was shown to have no qualifications in land survey or prior experience in cartography. Both persons also conceded stated that they had altered, changed and update the copyright works in order to produce the VM maps.

On the substantiality of infringement, it was found that as a matter of law, the critical aspect of copying was not so much the quantity copied, but rather, the significance of the copied portions to the copyrighted work. The fact of differences in appearance between the copyright works and VM's maps did not consequently mean that there was no infringement of copyright. Whilst VM had enhanced the quality and appearance of copyright works, the fact remains that a substantial portion of the foundational part of the map-making process was derived from the copyright works.

Implied Right to Continue Use

VM tried to argue that the agreements did not expressly stipulate that VM had to remove or cease use of the copyright works upon termination of the licenses and therefore it was an implied term in the licence agreements that VM may use the copyright works after the termination of the licence agreements. The Court dismissed this argument and found that the seven license agreements did not permit VM to continue use of the copyright works which were already in use despite termination of the agreements. The Court opined that such an implied term would not sit comfortably with the express terms of the licence agreements and consequently rejected this assertion. The Court also rejected VM's claim that SLA was stopped from asserting its rights on grounds that SLA had not, for some time, taken action against VM for its sale of online maps to the public despite the termination of the licence agreements.

Virtual Map (Singapore) Pte Ltd v Singapore Land Authority & another application [2009] SGCA 2

Following the above decision of the Singapore High Court, VM filed a Notice of Appeal to appeal against the High Court Judge's decision. SLA applied to strike out VM's Notice of Appeal on grounds that VM had not obtained the requisite leave of court to appeal against the decision. VM took the position that leave was not required but, without prejudice to this position, also filed an application to seek leave of court to appeal against the Judge's decision. Both SLA's and VM's applications were heard at the same time.

Whether leave of court was required

SLA applied to strike out the Notice of Appeal filed by VM on grounds that section 34(2)(a) of the Supreme Court of Judicature Act states that leave of court is required in order to bring an appeal to the Court of Appeal if “the amount or value of the subject matter at trial is $250,000, … or less”. In response, VM argued that it had spent millions of dollars developing the maps and therefore the value of the subject matter of the claim far exceeded S$250,000. Further, VM argued that insofar as its appeal is against all the reliefs ordered which included an injunction, an order for delivery up or destruction of the infringing works and damages to be assessed, there can be no monetary value that can be placed on such relief and therefore, no leave of court was required.

In considering if leave of court was required, the Court of Appeal confirmed the position that there is only one tier of appeal as of right for civil claims of a certain amount or value. The Court of Appeal felt that it should have been clear at the outset to VM that leave of court was required as the case having been commenced in the District Court where the jurisdictional limited is S$250,000 and an appeal was subsequently heard and dismissed in the High Court. The Court of Appeal rejected VM’s assertion that the maps were worth millions as there was no evidence to support this assertion; it was a bare assertion that VM had spent such amounts of money to develop its maps. If indeed VM had considered that its maps were worth millions, the Court of Appeal took the view that VM could have applied to transfer the suit to the High Court. By not applying to transfer the matter to the High Court at first instance, VM is taken to have accepted that the District Court has jurisdiction over the matter and consequently, VM is now stopped from asserting that the monetary value of the claim far exceeded the S$250,000. The Notice of Appeal was therefore struck out on grounds that no leave of court was obtained.

Should leave of court be granted?

To cover its bases, VM also filed an application for leave of court to file a Notice of Appeal against the High Court’s decision. The well-established principles governing the grant of leave of court are that (1) there is a prima facie case of error, (2) there is a question of general principle decided for the first time and (3) there is a question of importance upon which further argument and a decision of a higher tribunal would be to the public advantage.

On the first limb, the Court of Appeal rejected VM’s argument that the Judge and the District Judge had both made a series of errors in their decision and took the view that the decisions of the Judge and District Judge were both well reasoned and amply supported by the evidence before them and were correct in law.

For the second and third limbs, VM tried to argue that its reproduction of the maps was a case of “altered copying” and as the law was unclear as to whether “altered copying” amounted to substantial copying, the test of substantiality in the case of “altered copying” is a question of general principle or importance that should be decided by the Court of Appeal. The Court of Appeal rejected this assertion and found that, contrary to VM’s arguments, the nature of the copying done by VM was simply one involving “normal copying". Therefore, the issues concerning "altered copying" do not arise in the present proceedings. VM was therefore denied leave of court to appeal against the Judge's decision.

CASENOTE – CONFIDENTIAL INFORMATION

Man Financial (S) Pte Ltd v Wong Bark Chua David
[2007] 1 SLR 663

This case involved a dispute over an employment agreement, specifically over a restraint that prohibited a former employee from soliciting the employment of the ex-employer's employees during a stipulated period. The interesting point that had to be considered was whether the maintenance of a stable workforce can be regarded as a legitimate propriety interest warranting protection.

Background

A certain David Wong ("DW") was the former managing director and chief executive officer of the Plaintiff, Man Financial ("MF"), which was a brokerage company. DW was requested to leave his employment and was placed on garden leave for three months, which would also serve as a three-month notice period. DW and MF entered into a Termination Agreement, the pertinent section which reads as follows:

> *'C. Non- Solicitation and Non-Competition*
> *C.1 In further consideration of the foregoing, you agree that for a period of seven (7) months from the Termination Date, that is, up to 13 January 2006 you shall not directly or indirectly employ or solicit the employment of (whether as an employee, officer, director, agent or consultant) any person who is or was at any time during the period 13 June 2004 to 13 June 2005 an officer, director, representative or employee of the Company [ie, the Appellant]. For avoidance of doubt, you shall not be deemed to employ any person unless you are involved or have otherwise provided input into decision to hire such individual.'*

MF alleged that DW had breached this clause by seeking the employment of former employees of MF and provided correspondence between DW and such former employees as evidence. As a result, MF did not wish to uphold the Termination Agreement, which included compensatory benefits to DW.

In the High Court, it was found that DW had violated the restraint by soliciting the employment of MF's employees. However, it held that DW was entitled to receive the benefits based on the fact that MF could not prove that it had a legitimate interest of maintaining of a stable workforce. The restraint in Clause C.1 was wider than necessary, since it applied to all employees of MF regardless of experience and importance, as well as those who had left MF within one year before the Termination Date, and even to employees whom MF did not wish to continue employing.

The Court of Appeal held that the need to maintain a stable workforce was a legitimate propriety interest, given that the TA was intended to prevent an ex- employee from poaching the employer's present employees, especially so in a highly competitive business. The maintaining of a stable workforce was a legitimate proprietary interest that merited protection, especially given DW's position and influence within as MF had presented him with privileged information regarding the working relationship between MF and its employees, throughout the tenure of his employment.

The Court went on to qualify that having a legitimate propriety interest does not ipso facto render a non-solicitation clause valid. It remains necessary to shown that clause was reasonable having regard to the protectible interests. In this case, the court held that the TA was negotiated in good faith and there was no vitiation factor that affected its validity. The Court also found the TA to be reasonable in the interests of the public, as there was a need to uphold agreed covenants of restraint of trade agreed by parties to settle issues or disputes.

The Court established that DW had indeed breached Clause C.1, which formed an integral part of the TA and as a result, MF was entitled to terminate the TA and refuse to pay the agreed compensation.

SeaCAD Technologies Pte Ltd v Tan Siew Meng Aaron & Anor [2007] SGHC 192

In another decision on covenants of restraint of trade, the High Court considered the principles governing the validity of a non-competition clause where was ambiguous as a result of missing words.

The first defendant held a senior position in the plaintiff company and tendered his resignation on 11 November 2005. This was later withdrawn 3 days later. A second resignation notice was tendered 2 months later. The Defendant joined the second defendant, a direct competitor to the Plaintiff. The Plaintiff alleged that the first defendant had misappropriated privileged information from the company and violated a non-competition clause in an Invention, Non-Competition and Confidentiality Agreement signed by the parties.

The Court found that the Plaintiff could not establish that the first defendant had copied confidential information from the company's computer database and disclosed it to the second defendant. Although the Plaintiff showed that several documents had been extracted from its computer database into the hard disk of the first defendant's PC and subsequently deleted, the Plaintiff did not prove the contents of the documents in question nor show that the first defendant had copied the documents into a separate removable device before deletion.

Insofar as the restraint was concerned, the Court further found that there were several words missing from a non-competition clause that resulted in some ambiguity. The relevant clause is reproduced below:

'As long as I am employed by the Company and for a period of one year after termination of such employment for any reason, I shall not, on my own behalf or as owner, manager, stockholder, consultant, director, officer [missing words] in any business or activity which is in direct or indirect competiton with the Company…'

The court considered whether the obvious omission of some words rendered the non-competition clause uncertain and hence invalid. It found that although the clause was indeed unclear and could have implied varying degrees of severity on the 1st defendant. However, the fact that both the Plaintiff and the first defendant did not perturbed by the missing words indicated that both parties understood the clause to prohibit the first defendant from entering employment with a competitor of the Plaintiff during the effective period.

Although the first defendant could have possibly argued that he did not agree that he will not join a competitor company, he had confirmed in court that he understood the non-competition clause to mean as such.

The Court considered if the contra proferentum rule was applicable to remove the common understanding of the clause but since both parties had the same understanding of the incomplete clause, the Court found that the rule should not apply as it would not be fair or necessary to alter the common understanding held by them.

The Court also went on to find that extending the non-competition clause to Malaysia was unreasonable since the Plaintiff did not establish that it had any clients in Malaysia and struck out that restraint insofar as Malaysia was concerned.

DEVELOPMENTS

Legislation

Singapore Treaty on the Law of Trademarks

The Singapore Treaty on the Law of Trademarks ("Singapore Treaty") was adopted by a diplomatic conference of the World Intellectual Property Organisation member states in March 2006 in Singapore. The Singapore Treaty will enter into force three months after it has been ratified by ten contracting parties. Nine countries, including Singapore, have since ratified the Singapore Treaty. The tenth ratification took place on 16 December 2008 by Australia, and following from that ratification, the Singapore Treaty will enter into force on 16 March 2009.

The Singapore Treaty updates the earlier Trademark Law Treaty of 1994 which was intended to streamline procedures of trademark offices worldwide. The Singapore Treaty recognises the advancement of technology in today's digital age by providing for electronic communications.

The key aspects of the Singapore Treaty include :

Harmonised procedural aspects of trademark registration and recordal of licenses

Trademark offices of contracting parties of the Singapore Treaty would require the same documents and/or information for trademark applications and/or the recordal of licenses. By standardising these administrative procedures, trademark owners will now find it easier and more cost effective to register their trademarks and to record licenses.

Some countries may require trademark licenses to be recorded, failing which there could be adverse consequences. However, the Singapore Treaty requires contracting parties to make it clear that failure to record a license will not affect the validity of the trademark registration itself.

Recognition of non-traditional marks

Given that branding today has extended beyond traditional marks, the recognition of non-traditional marks such as three-dimensional marks, holograms, moving marks, colour marks and position marks, as well as non-visible signs (for example, sound and smell marks) in the Singapore Treaty may be good news for owners of these new types of marks. Having said that, the Supplementary Resolution to the Singapore Treaty clarifies that contracting parties can decide whether and when to provide for registration of these new types of marks.

Choice of means of communications

Under the Singapore Treaty, trademark offices of contracting parties can choose between the traditional paper communications, or alternatively, take advantage of modern advancements in technology by opting for electronic or other forms of communication facilities. The latter will in the long run result in greater cost savings as well as a more efficient process both for the trademark offices as well as the trademark owners.

Technical assistance will be provided to developing and least developed countries to strengthen their institutional capacity as well as to enable them to fully benefit from the Singapore Treaty.

Relief measures when deadlines are missed

Trademark offices of contracting parties of the Singapore Treaty are required to provide for relief measures for trademark applicants for procedural irregularities such as failure to comply with deadlines provided that such failure was not deliberate or had occurred notwithstanding due care taken. Hence, instead of dismissing the application or cancelling the trademark registration, trademark offices will have to provide for one or more of the following relief measures: extending the deadline, continue with the processing of the application or registration, or a reinstatement of rights.

Amendments to the Patents Act

The Patents Act was recently amended and came into effect on 1 December 2008.

In summary, there are two branches of amendments. The first deals with the Doha Amendments, as they give effect to the Protocol adopted by the World Trade Organisation to amend Article 31 of the Trade-Related Aspects of Intellectual Property Rights or TRIPS Agreement so as to facilitate greater access to patented pharmaceutical products in public health emergencies. Singapore will only use the system as importer in situations of national emergency and other circumstances of extreme urgency. Relevant notification must be given to the Council for TRIPS. The definition of ""relevant health product" and "relevant notification" has been mirrored from Paragraphs 1(a) and 2(a) Doha Declaration/Annex to the TRIPS agreement respectively.

The amendments address the need to notify the Council for TRIPS of the intention to use the system and to provide information on the specification of the names, expected quantities, confirmation that there are insufficient or no manufacturing capacities in the pharmaceutical sector for the products, and that a compulsory licence has been granted or is to be granted. The patent owner will be remunerated by the Government for the use if he has not been remunerated in the exporting member, and re-exportation is not permitted. The defences of parallel importation and the specific patient defence will not apply to the import or sale of the relevant health product produced for export to any country, other than Singapore, which is an eligible importing member.

The second branch of amendments deals with the Competition Act. s.51 of the Patents Act which deems void clauses requiring or tying the licensee to procure products other than the patented product from the patent holder, and s.52 which allowed agreements that require a patent licensee to continue to pay patent royalties after the expiry of the patent to be determined with 3 months notice, shall no longer apply to agreements signed after on or after 1 December 2008. Such Agreements will come under the purview of the Competition Act, the rationale being that sections 51 and 52, which are

more appropriate, as such clauses caught under sections 51 and 52 Patents Act may not necessarily be anti-competitive. This will give more flexibility to businesses in structuring commercial agreements.

Copyright Tribunal

The Intellectual Property Office of Singapore ("IPOS") has invited feedback on the proposed changes to be made regarding the jurisdiction and procedures of the Copyright Tribunal ("Tribunal"), to address the needs of copyright owners and users in the digital age.

Currently, the Tribunal has a fairly narrow jurisdiction, and can only hear disputes as are specifically provided for under the Copyright Act. The Tribunal is not able to fully adjudicate in license disputes, and currently does not hear disputes in relation to charges payable to a copyright owner for the public screening or reproduction of a film. Hence, if owners of entertainment outlets wish to take issue with license fees charged or terms imposed by copyright owners, they have no recourse to the Tribunal.

IPOS is inviting feedback on the following proposed changes to the jurisdiction and operational aspects of the Copyright Tribunal:

- Enabling the Tribunal to hear disputes concerning remuneration and/or royalties payable in respect of licenses for all uses of all types of copyright works, including music and films.
- Increasing the number of Tribunal panel members.
- Appointing up to two Deputy Presidents.

Commendations & Awards

We are pleased to inform that Amica Law LLC has been commended or cited in the following in 2008/2009:

- Chambers Asia 2009
- Legal500 - "..the cream of the crop for IP matters.."
- AsiaLaw Leading Lawyers 2008 - 4 Individual Citations
- ALB SE Asia Law Awards 2008 - Top 5 IP Law Firms of The Year
- Guide to the World's Leading Trade Mark Law Practitioners
- Legal Media Guide to World's Leading Patent Law Practitioners - 3 Individual Citations
- Who's Who Legal 2008 - Singapore Patents - 3 Individual Citations
- Chambers Asia 2008
- PLC Which Lawyer 2008 - Highly Recommended

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