



# AMICA LAW LLC NEWS

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## CASE NOTE – TRADE MARK INFRINGEMENT & PASSING OFF

### Tang Chay Seng v Tung Yang Wee Arthur [2010] SGHC 228

The plaintiff is the sole proprietor of a famous noodles outlet in Singapore. He obtained 2 trade mark registrations in class 29 and 30 for a composite mark comprising the Chinese characters “Tai Hwa Pork Noodle” and English words “Hill Street Tai Hwa Pork Noodle” and the following device mark:



The defendant is the nephew of the plaintiff and operated a similar noodles stall at another location using the Chinese name “Lau Tai Hwa” and the following device:



The plaintiff sued the defendant for trade mark infringement and for passing off.

#### *Trade Mark Infringement*

The defendant alleged that he had obtained the plaintiff’s consent to the use of “Lau Tai Hwa” for his business and accordingly there was no infringement of the registered mark. The defendant relied on the fact that he had informed the plaintiff of his business beforehand and received the latter’s blessings for the use of the name “Lau Tai Hwa”. The plaintiff had in fact sent flowers on the opening day of the business with a congratulatory message which specifically mentioned that the business was called “Lau Tai Hwa”. Accordingly, the plaintiff’s claim of infringement was dismissed on the ground of his consent.

For completeness, the court considered whether the defendant would have infringed the plaintiff’s marks in the absence of consent. The court found that notwithstanding the imperfect recollection by a consumer, there was no visual, aural or conceptual similarity between the plaintiff’s marks and the defendant’s sign. In coming to this conclusion, the court took into account the need to (a) have regard to the overall impression created by the marks (applying the ECJ test in *Sabel BV v Puma AG Case C-251/95 [1997] ECR I-6191*) and (b) recognized that a complex trade mark cannot be regarded as being similar to another mark identical or similar to one of the components of the complex mark unless that component forms the dominant element within the overall impression created by the complex mark and render the other components

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negligible within the overall impression (see *Matratzen Concord GmbH v OHIM (Trademarks and Designs) Case T-6/01 [2002] ECR II- 4335*). Accordingly, viewed as a whole and on the basis of their overall impression in the light of their distinctive and dominant components, the registered marks are obviously different from the defendant's sign such that they cannot be considered visually similar by a consumer with an imperfect recollection of the marks.

#### *Passing off*

Despite these adverse findings of fact, the plaintiff nonetheless succeeded in establishing his claim in passing off. The court accepted that there was sufficient goodwill attached to the plaintiff's pork noodles business, especially since he had won a number of culinary awards. Insofar as the allegation of passing off relates to the use of the "Lau Tai Hwa" name, the court found that since there was consent given by the plaintiff, the claim cannot be sustained. However, the court found the defendant's reference and use of the awards and certificates belonging to the plaintiff suggested a link between his business and the plaintiff's business, and this was sufficient to result in passing off. Nonetheless, on the issue of damage, the court found that since the plaintiff had only one outlet with limited seating capacity and there was no evidence of actual monetary loss of or diversion of custom, the court only awarded nominal damages of S\$1,000 for loss of goodwill.

#### **Clinique Laboratories, LLC v Clinique Suisse Pte Ltd and another [2010] SGHC 189**

The plaintiff is the manufacturer of "CLINIQUE" skin care and cosmetic products and owns numerous registered trade marks around the world for its "CLINIQUE" mark. The mark is registered in Singapore in Class 3 for cosmetics, toiletries, perfumery, and non-medicated hair, skin and body care preparations, and Class 44 for services such as beauty consultation services regarding the selection and use of personal care and beauty products, and beauty treatment services. The plaintiff successfully sued the defendants, who operated a medical aesthetics clinic under the trading name "Clinique Suisse Pte Ltd" for trade mark infringement under Section 27(2)(b) Trade Marks Act (Cap. 332). The plaintiff also successfully obtained an injunction pursuant to Section 55 Trade Marks Act, restraining the defendants from further using any mark or business identifier comprising the "CLINIQUE SUISSE" mark (the "CLINIQUE SUISSE Mark") or any mark or business identifier which was identical with or similar to the CLINIQUE Mark in the course of trade or business.

#### *Trade mark infringement*

The court found that there was both visual and aural similarity between the CLINIQUE mark and the CLINIQUE SUISSE mark. Although "clinique" was a French word for the English word "clinic", the court nonetheless found that through extensive use, the CLINIQUE mark had become distinctive of the plaintiff's goods and services and had attained a "high degree of fame", to the extent that it was understood by the public to function as a sign or badge of origin when used on beauty products.



The court also found that manner in which the Defendant had used its CLINIQUE SUISSE mark was similar to that of the plaintiff. There was in fact an “uncanny resemblance” in the packaging of the defendants’ products and the appearance of the CLINIQUE SUISSE mark on the Defendants’ products when compared with the plaintiff’s products. Both products were packaged in a pastel coloured get-up and some of their products were in a similar distinctive shade of pink. Both marks had also almost exactly the same appearance, save that the Defendants’ mark had a longer “tail” in the letter “Q” and an additional word “SUISSE”, which the Court regarded as a mere add-on that did not change the impression that the defendants’ products or services were associated with, or an extension or other line of the plaintiff’s products or services, with a possible Swiss element or aspect.

The court also noted that even though the plaintiff traded in cosmetics goods in the general retail trade whilst the defendant’s business was a specialised and licensed medical practice, the convergence of cosmetic skin care and pharmaceutical/medical industries in the production of “cosmeceuticals” meant a likelihood of confusion on the part of the public between the plaintiff’s and the defendants’ products and/or services. It was also held that since Clinique Suisse products could be purchased online without prior consultation of any doctors from the defendant’s establishment, this meant that the channels of distribution were not distinguishable. Results of a street intercept survey also demonstrated that there was a likelihood of confusion on the part of the plaintiff’s target customers between the plaintiff’s brand and the Clinique Suisse brand.

#### Section 55 – Protection of Well Known Marks

The court also agreed that the CLINIQUE mark should be regarded as a well-known mark in Singapore, that use of the CLINIQUE SUISSE mark in relation to the defendants’ products and services would indicate a connection with the plaintiff’s goods and services, and likely to damage the latter’s interests by blurring and tarnishing the CLINIQUE brand.

The confusing similarity between the CLINIQUE mark and CLINIQUE SUISSE mark meant that there was a real likelihood that the use of CLINIQUE SUISSE and business identifier would blur the distinction between the plaintiff’s and CLINIQUE SUISSE products and, in so doing, divert business away from the plaintiff to the defendants. Even if no business was diverted from the plaintiff, the use of the CLINIQUE SUISSE mark would take unfair advantage of the distinctive character of the CLINIQUE mark by riding on the CLINIQUE brand.

Further, the use of the CLINIQUE SUISSE mark could also likely tarnish the plaintiff’s reputation, since evidence showed that the defendants did not conduct proper quality assurance tests and procedures for its products. The products also failed to comply with mandatory regulatory labelling requirements under Singapore law, and had in fact previously attracted negative publicity in the press. The use of the Clinique Suisse mark would also restrict any attempt by the plaintiff to expand into the medical or pharmaceutical industry in Singapore.



### **Ferrero SPA v Sarika Connoisseur Café Pte Ltd [2011] SGHC 176**

The Defendant operates a café chain in Singapore known as “TCC-The Coffee Connoisseur Concerto” and offered a chocolate beverage advertised as “Nutello”, which contained the well-known “Nutella” hazelnut spread as a key ingredient. Ferrero SPA sued for similar trade mark infringement of its NUTELLA trade mark, as well as infringement of a well-known trade mark and for passing off.

The Court found that a claim for similar trade mark infringement was established. The use of the offending sign in menus and promotional materials was sufficient to amount to trade mark use, namely, use to denote the origin of the beverage. The Court also found that the offending sign was visually, aurally and conceptually similar to the NUTELLA trade mark, especially since the latter being an invented was inherently distinctive. The Defendant had not made sufficient modification to its offending sign as to differentiate it dissimilar from the NUTELLA trade mark.

The Plaintiff also succeeded under passing off, as the use of the offending sign constituted a misrepresentation that the “Nutello” chocolate beverage was a product of, or connected to or associated with the Plaintiff.

## **CASENOTE – TRADE MARKS PRACTICE**

### **Ozone Community Corp v Advance Magazine Publishers Inc [2010] 2 SLR 459**

Advance Magazine Publishers was the registered proprietor of the word mark, GLAMOUR, in Class 16, in respect of “magazines, books and publications”. Its GLAMOUR mark was used primarily for “GLAMOUR” magazine, a periodical devoted to women’s fashion and beauty.

Ozone Community Corporation is a company in the design and retailing of fashion apparel and accessories. It had applied to register the word mark, HYSTERIC GLAMOUR in Class 16 for “paper and cardboard; industrial packaging containers of paper; towels of paper; table napkins of paper; hand towels of paper; handkerchiefs of paper; paper patterns; tailors’ chalk; table cloths of paper; blinds of paper; banners of paper; flags of paper; baggage tags; printed matter; paintings and calligraphic works; photographs, photograph stands; playing cards; stationery and study materials”. Its application was opposed by Advance Magazine and the matter was heard on appeal in the High Court.

Section 8(2)(b) states that a trade mark shall not be registered if it is so similar to an earlier trade mark and to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected that there exists a likelihood of confusion on the part of the public. Similarity of marks in each aspect is essentially a question of fact. However, the law does not require all 3 aspects of similarities to be made out before a finding of similarity can arise. The relative significance of each aspect varies with the factual circumstances, especially with respect to the goods and types of mark involved. This means that trade-offs are possible between the 3 aspects



of similarity, for instance conceptual similarity could offset visual and aural similarities. The distinctiveness in the earlier trade mark is also an important factor in this inquiry.

The High Court found that Ozone's HYSTERIC GLAMOUR was not similar visual, aurally or conceptually to the GLAMOUR trade mark. Visually, although both word marks shared a common denominator in "glamour", there were numerous visual differences. The HYSTERIC GLAMOUR mark is longer and contains 15 letters in two words, compared to seven letters in within only one word for GLAMOUR. The prominent presence of the "hysteric" element meant that it was unlikely to be overlooked nor overshadowed by the "glamour" element by even a consumer with an imperfect recollection. In terms of aural similarity, the court found that first impression is important to the notional consumer and whilst the GLAMOUR mark would be pronounced as a single word, Ozone's HYSTERIC GLAMOUR would be pronounced as two separate and distinct words. The court hence found that HYSTERIC GLAMOUR was aurally dissimilar to the GLAMOUR mark.

As for determining conceptual similarity, the court examined the "idea" behind the earlier mark. The GLAMOUR mark had relied on the orthodox meaning of "glamour" and the presence of "hysteric" in Ozone's HYSTERIC GLAMOUR did modify the core concept or idea behind the word "glamour" and that the marks were "in some way" (as opposed to completely or to a large extent) conceptually similar.

The Court then found that as the GLAMOUR trade mark was also not inherently distinctive to begin with, being descriptive of the nature of the goods and services provided, and there was insufficient evidence to show that the GLAMOUR mark was so extensively used that it had acquired distinctiveness through use in Singapore, the Court found that the marks were not similar and the opposition failed.

When comparing similarity of goods, the court found there was only a little overlap between Ozone's goods in terms of "printed matter" and AMP goods, and Ozone's "other goods" were dissimilar. Ozone's "other goods" were also functionally different from AMP's goods. The parties' target consumers were also different and thus there was little or no competition between AMP goods and Ozone's "other goods". Disparate trade channels were also used. Since only "printed matter" in Ozone's goods was similar to Advance Magazine's goods, and its other goods were dissimilar, the requirement of similarity of goods was satisfied only to a limited extent.

Lastly, on the element of likelihood of confusion, it must be shown that consumers would be confused as to the origin of the goods or services or erroneously assume some broader kind of economic connection between the users of marks. The test was based on "ordinary, sensible members of the public" (not "the man in a hurry") and the relevant public here was literate, educated, exposed to the world and unlikely to be easily hoodwinked, and would be reasonably discerning in selecting good, even for "printed matter".

The court noted that both marks had co-existed on the United Kingdom Trade Marks Register for Class 16 goods since 2001. It also took a global assessment of all factual circumstances, including extraneous factors (such as the actual use of the mark, reputation of the earlier mark, packaging of



goods and how the goods were to be sold) to establish the strength of similarity and concluded that there was no likelihood of confusion, real or hypothetical (though there was little evidence here to consider this point). Upon analysis, the court concluded that there was no genuine and properly substantiated likelihood of confusion.

### *Passing Off*

Advance Magazine also sought to rely on Section 8(4) TMA, which states that a trade mark shall not be registered if its use in Singapore is liable to be prevented under passing off law. The court also found that Advance Magazine failed to establish its case under this head. Since the GLAMOUR mark was held to be descriptive, the law imposes a higher burden to establish the existence of goodwill. This burden of proof was not discharged given the inadequate sales volume and promotional/ advertisement figures in Singapore. Hence, it could not be said that the GLAMOUR mark had acquired a "secondary meaning" and become distinctive of Advance Magazine. As for misrepresentation, the court found that there was no likelihood of confusion or deception since the average reasonable person would recognize that both marks were visually and aurally dissimilar, that the "glamour" element in both marks was merely descriptive and not inherently distinctive nor distinctive by use and differences in most of the goods concerned.

## CASE NOTE- COPYRIGHT

### **RecordTV Pte Ltd v MediaCorp TV Singapore Pte Ltd [2010] SGCA 43**

A recent decision of the Court of Appeal in Singapore indicates that the courts are prepared to be open-minded and progressive in interpreting copyright legislation to ensure that technological advances with clear legitimate and beneficial uses to the public are not curtailed and to avoid allowing expansive claims by copyright owners to hinder creativity and innovation, whilst striking a just and fair balance between the interests of consumers, copyright owners and technology and service vendors

In our previous Update, we had reported on the case of *RecordTV Pte Ltd v MediaCorp TV Singapore Pte Ltd and others* [2010] 2 SLR 152, where the High Court had found that providing an automated Internet-based recording service of free-to-air broadcasts had infringed copyrights in the broadcasts owned by MediaCorp. In providing the service/facilities, the defendant (RecordTV) was found to have authorized the primary act of infringement (copying by end-users), infringed the communication rights by transmitting the broadcasts and the safe-harbour provisions available to network service providers did not apply since it did not merely provide network connection services but commercial services of recording and playback.

The Court of Appeal agreed with the court below that RecordTV did not copy the works within the meaning of the Copyright Act and that it was the end users instead who copied the shows by their own actions in requesting the



recording of those shows using RecordTV's services/facilities. The Court adopted the approach of the US Court of Appeals for the Second Circuit in *The Cartoon Network LP, LLLP v CSC Holdings, Inc* 536 F 3d 121 (2nd Cir, 2008) which found that

“... In determining who actually ‘makes’ a copy, a significant difference exists between making a request to a human employee, who then volitionally operates the copying system to make the copy, and issuing a command directly to a system, which automatically obeys commands and engages in no volitional conduct. ... Here, by selling access to a system that automatically produces copies on command, [the defendant] more closely resembles a store proprietor who charges customers to use a photocopier on his premises, and it seems incorrect to say, without more, that such a proprietor ‘makes’ any copies when his machines are actually operated by his customers.

... we do not think it sufficiently proximate to the copying to displace the customer as the person who ‘makes’ the copies when determining liability under the Copyright Act [17 USC (US)]. [The defendant], we note, also has subscribers who use home VCRs or DVRs (like TiVo), and has significant control over the content recorded by these customers. But this control is limited to the channels of programming available to a customer and not to the programs themselves. [The defendant] has no control over what programs are made available on individual channels or when those programs will air, if at all. In this respect, [the defendant] possesses far less control over recordable content than it does in the VOD [video-on-demand] context, where it actively selects and makes available beforehand the individual programs available for viewing. “

In other words, the Court of Appeal found that it was the end users who made the copies; to design, house and maintain remote-storage recording facilities did not amount to an acting of making a copy – that act was done by end users, just like a person using a video cassette recorder to copy a TV show. There was no volitional conduct on the part of the service provider in providing a system that automatically obeys the commands of the end users. The end-product is merely a time-shifted recording done by the end-user and fundamentally, time-shifting recording and playback is a perfectly legitimate activity so long as it does not constitute copying copyright-protected material or communicating such material to the public. The users had to be legally entitled to view and record the MediaCorp shows before they could avail themselves of RecordTV's service to record those shows and all that the latter did was merely to provide them with the advantages and convenience of a time-shifting service, which MediaCorp itself did not provide.

The Court also opined that RecordTV's services not only serve the same purpose as the traditional video cassette or digital video recorder (viz, to allow time-shifting), but also represented a significant technological improvement over those devices with tangible benefits of greater convenience and ease of use.

Section 16(6) Copyright Act provides that a communication is regarded to have been made by the person responsible for determining the content of the communication at the time the communication is made. To “communicate” is to “transmit by electronic means... and includes the making available of a work or other subject-matter (on a network or otherwise) in such a way that



the work or subject-matter may be accessed by any person from a place and at a time chosen by him.”

The Court of Appeal disagreed with the trial Judge and found that RecordTV did not communicate the MediaCorp works to the public. There was no communications to “the public” since the end users of the RecordTV’s service had to possess valid television licences, which indicated that such end users had a lawful existing relationship with MediaCorp as licensees to watch the free-to-air works. That being the case, such users are not members of “the public” within the relevant communication rights in the Copyright Act.

Further any communications made by RecordTV to end users were made privately and individually and it was not correct to claim that the aggregate of all the private and individual communications made to each of the end users should transform the nature of such communications into “public” communications. Whilst any member of the public could register with RecordTV to become a registered end user, he had no immediate access to all (or any) of the MediaCorp works already recorded by RecordTV. RecordTV’s service was not a video-on-demand service whereby RecordTV shared a library of recorded works with end users; rather, a registered end user was only allowed to access and view time-shifted recordings of the specific MediaCorp shows which he had first requested to be recorded.

The Court of Appeal also found that RecordTV cannot be regarded as being the communicator of the MediaCorp works to the public (ie, the party making the communications) since it was not responsible for determining the content of the communication, which is the time when RecordTV makes available those shows on its server and made them accessible to those end users who had requested the recordings. The only MediaCorp works that were “communicated” were those shows that appeared on each end user’s playlist, and since the exact make-up of each playlist depended on the specific shows which each end user had requested to be recorded, the person responsible for determining the content of the communication at the time the communication was made would be that end user himself.

On the issue of whether RecordTV is liable for authorizing the copying and/or the communication to the public of the MediaCorp works by the end user, the Court affirmed that to “authorise” meant to grant or purport to grant, whether expressly or impliedly, to a third person the right to do the act complained of, regardless of whether the intention was that the grantee should do the act on his own account or only on account of the grantor. Such authorisation could only emanate from someone having or purporting to have authority to grant the right to do the act complained of and an act was not authorised by a person who merely enabled, possibly assisted or even encouraged another to do that act, but who did not actually have or who did not purport to have any authority which he could grant to justify the doing of that act.

The Court extensively discussed established and recent caselaw from UK and Australia, including *University of New South Wales v Moorhouse* (1975) 133 CLR 1, *Roadshow Films Pty Ltd v iiNet Limited (No 3)* [2010] FCA 24, *CBS Inc and Another v Ames Records & Tapes Ltd* [1982] Ch 91, *CBS Songs Ltd v Amstrad Consumer Electronics Plc* [1988] AC 1013, *Twentieth Century Fox Film Corporation v Newzbin Limited* [2010] EWHC 608 (Ch) and *Cooper v Universal Music Australia Pty Ltd* (2006) 237 ALR 714.

As only those end users who held valid television licences were entitled to



sign up and use RecordTV's services to record MediaCorp shows, RecordTV could not have granted any right to the users to copy the MediaCorp shows and/or communicate them to the public as it did not itself have the right to copy and/or communicate to the public those shows.

In any case, RecordTV had warned users that the copying of certain shows might require permission and that it had no authority to grant the same, and the service should only be used to record only those programmes which they would otherwise be able to watch and record legally. There was no authorization that users could copy or communicate the MediaCorp shows to the public. Specifically, it was found that:

- (a) whilst RecordTV had the power to prevent any such infringement, nonetheless, there was no reason to do so since it had expressly required end users to hold valid television licenses that allowed them to watch or record the MediaCorp shows;
- (b) RecordTV was mere conduit to enable users to time-shift their viewing of the MediaCorp shows;
- (c) RecordTV took adequate steps, in its Terms of Use, to restrict the use of its services to valid licence holders and for personal, private and domestic use;
- (d) recorded shows were "streamed" to users rather than downloaded into their computers, preventing any subsequent extraction, modification or exploitation of the recordings for further downstream transmission; and
- (e) there was no evidence that RecordTV had any knowledge of improper usage of the services nor should any knowledge be imputed.

The Court observed in passing that where the Copyright Act is unclear as to how much copyright protection ought to be granted to a copyright owner, the courts should not be quick to construe a statutory provision so liberally as to deter or restrict technological innovations by preventing them from being applied in a manner which would benefit the public without harming the rights of the copyright owner. Given public outcry over what is perceived by the public to be oppressive and heavy-handed responses by copyright owners, the RecordTV decision is perhaps the first signal that courts are not adverse to reigning in the claims of copyright owners to take into account public interests.

## CASE NOTE - COPYRIGHT



Asia Pacific Publishing Pte Ltd v. Pioneers & Leaders (Publishers) Pte Ltd  
[2011] SGCA 37

This case arose from an appeal to the Court of Appeal against a decision from the High Court below. This appeal considered the novel issue of whether an incorporated body can be the author of an original work that enjoyed copyright protection. The High Court below had held that an incorporated body can be the author of such an original work. The Court of Appeal disagreed and held that copyright protection required the identification of a human author or authors, and that an incorporated body cannot be an author of a copyrighted work.

The Respondent/Plaintiff is the publisher of a horse-racing magazine known as “Punters’ Way”, while the Appellant is the publisher of another horse-racing magazine known as “Racing Guide”. The Respondent asserted that it was the author of the “Punter’s Way” magazine and that it was entitled to copyright protection in the format, presentation and compilation of horse-racing information in its magazine, particularly in a set of four tables containing such information. The Respondent alleged that the Appellant/Defendant’s “Racing Guide” contained horse-racing information in tables arranged in the same sequence and/or in a substantially similar manner to its tables, and therefore infringed its copyright. The question then arose as to whether an incorporated body could be the author of a copyrighted work.

The Court of Appeal found that looking at the historical roots and evolution of copyright law, the objective of copyright law has always been to encourage the creativity of natural persons. The concept of authorship by natural persons is therefore integral to copyright, as no such protection can be accorded without an author from which an original work emanates, and from which the legal rights flow. The Court of Appeal was of the view that the author had to be a person (and not an incorporated body) for the following reasons:

- The European doctrine of *droit moral* (moral rights) under which the author’s intellectual and creative rights in their works were recognized in addition to their economic rights, was consistent with the view that an author must be a person.
- The duration of copyright protection has always been based on the author’s life expectancy. The underlying rationale for extending protection beyond an author’s life was also to benefit two generations of the author’s heirs. Incorporated bodies could never have been contemplated to have been “authors” for the purposes of copyright.
- The High Court erred in holding that an incorporated body could be an author of an original work on the basis of Sections 28(3) and 29 Copyright Act (Cap. 63). These provisions were only applicable where a work is unpublished before the death of the author, or where there was an anonymous and pseudonymous work. These provisions did not apply to the case on appeal.
- If an incorporated body could be an author, then it could enjoy a perpetual monopoly over its copyrighted works. This would be



against the underlying policy of the Copyright Act, which seeks to strike a balance between public and private interests by according copyright protection for a limited duration

- Authorship by a company could never have been contemplated by the Statute of Anne (the first copyright statute passed in UK in 1709) as companies operating as distinct legal entities were not a typical feature of commerce when this statute was enacted, and the separate legal corporate personality of a company was only recognized in the late 19th century.

In addition, the Court of Appeal emphasized the threshold need to identify an author, before a work can be considered original. This is because the test for originality requires proof that the work originated with an author (or joint authors) from some independent intellectual effort. The Court of Appeal clarified that it is not necessary to name each and every author to make out a claim for copyright protection, as long as it can be established that the work in question generated from one or more human authors.

On the facts, the Court of Appeal found that the collection of the horse-racing data, and the organization and selection of such data were either computerized or done by separate people, and based on the evidence submitted, each individual's responsibility and contribution (which had not been particularized) was insufficient to render the individual an author, or joint author of the Tables. The Court of Appeal further opined that where there is a high degree of automation, there may be no original work for the reason that there are no identifiable human authors. It was also held that the statutory presumption in Section 132 Copyright Act (relating to the presumption of copyright subsistence and copyright ownership in works that are published with a publisher's name) could not apply, as the fact of authorship was in dispute in this case and the Appellant had adduced evidence that copyright does not subsist in the Tables since there is no author.

## CASENOTE - PATENTS

### **MARTEK BIOSCIENCES CORP V. CARGILL INTERNATIONAL TRADING PTE LTD [2010] SGCA 51**

This decision arose from an appeal by Martek Biosciences Corp ('the appellant') against the decision of the High Court rejecting its Interlocutory Application for leave to adduce further evidence (viz, the result of a repeat experiment) under O 87A r 13(2) Rules of Court. The leave sought is in relation to a pending appeal against the revocation of the appellant's Singapore patent.

O 87A r 13 (2) provides that "An appeal [under O 87A r 13] shall be by way of rehearing and the evidence used on appeal shall be the same as that used before the [Patents] Registrar and, except with the leave of the Court, no further evidence shall be given. " However, under Order 57 r 13(2), it is provided that the Court of Appeal shall power to receive further evidence on questions of fact but on appeal from any judgment after trial or hearing of any matter on the merits, no such evidence (other than matters occurring after the trial or hearing) shall be admitted except on special grounds.



The Court clarified that it is erroneous to treat Order 57 r 13(2) as being identical to O 87A r 13(2) due to the additional requirement of “special grounds”. Thus, the *Ladd v Marshall* test that applies for any admission of new evidence under Order 57 in any appeal should not be applied too rigidly. This means that even though an appellant has not satisfied the *Ladd v Marshall* test, the application to adduce further evidence might still succeed if there are ‘other compelling factors’. Nevertheless, the *Ladd v Marshall* test still serves a useful guideline when considering whether leave should be granted under O 87A r 13.

*Not obtainable with reasonable diligence previously*

The Court found that the first condition was not satisfied and observed that the Appellant could have carried out the experiment prior to the hearing before the tribunal below or applied for leave during the hearing to conduct the experiment and adduce the results or at the very least, applied for leave to adduce the evidence after the close of the hearing before the tribunal and release of the judgment.

*Having important influence*

The Court found that this condition was satisfied as the leave was sought to conduct a repeat experiment to verify the accuracy of a particular claim, which appeared central to the tribunal’s decision.

*Be credible though not incontrovertible*

The Court found that the Appellant failed to show that the evidence was credible. No report or document about the results of the experiment or details thereof was disclosed and the Appellant was vague in its description of the evidence.

Hunt-Wesson factors

The Court observed that although *Hunt-Wesson Inc’s Trade Mark Application* [1996] RPC 233 is concerned with trade mark proceedings, the factors set out by Laddie J in that case can form useful guidelines even in patent proceedings. The *Hunt-Wesson* factors are as below:

- Whether the evidence could have been filed earlier and, if so, how much earlier.
- If [the evidence] could have been [filed earlier], what explanation for the late filing has been offered to explain the delay.
- The nature of the trade mark.
- The nature of the objections to it.
- The potential significance of the new evidence
- Whether or not the other side will be significantly prejudiced by the admission of the evidence in a way which cannot be compensated, e.g. by an order for costs



- The desirability of avoiding multiplicity of proceedings.
- The public interest in not admitting onto the register invalid trade marks.

*The desirability of avoiding multiplicity of proceedings*

The Court distinguished between a party seeking to oppose the registration of a patent and a party seeking to bolster the registration of its patent. In the former case, the court may be more inclined to grant leave to adduce further evidence. This is because a party which opposes the registration of a patent is 'to a certain extent, doing a public service in terms of preventing unworthy inventions and products from monopolising the market', and if that party is not allowed to produce the best evidence, and the patent remains on the register, another party can subsequently challenge that invention, thus provoking multiple proceedings.

In the latter, the court is more reluctant to grant leave because a party seeking to assert a proprietary right in a patent has the responsibility to put forth its entire case including all relevant materials, and if it fails to do so, it only has itself to blame.

*The public interest in not admitting onto the register invalid trade marks.*

At the present case, the public interest weighed against the appellant as allowing the further evidence to be adduced would cause unnecessary delay in the appeal, which would in turn have repercussions on the market.

*Other factual considerations*

The Court emphasized that in each case, the court must decide, based on the facts of the particular case at hand, whether it is just to admit the Further Evidence in question. On the facts, the Court found that the following factors are relevant:

*Conduct of the appellant*

On the facts, the Court held that the conduct of the Appellant weighed against the granting of the leave due to the following reasons. First, the Appellant claimed that his decision to ask for leave to conduct a repeat of an experiment was prompted by the suspicions that he had as early as November 2009 regarding the accuracy of one of the subject claims; yet he did not inform the Judge of such suspicions then. Instead, the appellant waited until January 2010 before making the application, without an explanation for this delay. Thus, the Appellant has failed to show due diligence in securing all relevant evidence before the Tribunal.

Secondly, although in March 2010 the Appellant's solicitors informed the court that the Appellant had already conducted the experiment, yet during the hearing in August 2010 the Appellant sought leave for an independent expert to conduct the Experiment.

Third, the Appellant 'was rather coy in disclosing key information and evidence' such as the results of the experiment, evidence that the Appellant had indeed conducted the experiment and evidence on when and how the experiment was carried out.



Hence, the Court commented that the Appellant has lacked forthrightness vis-à-vis the Court and failed to exercise reasonable diligence in securing all relevant evidence before the tribunal.

#### *Prejudice against the Respondent*

The Court accepted the Respondent's submission that allowing the Appellant to adduce further evidence at this late stage would be prejudicial against the Respondent because the Respondent no longer had the opportunity to develop its evidence differently. It would only be fair if the Respondent was given substantial leeway to re-run parts of its case, yet this would have the undesirable outcome of re-opening matters already dealt with by the court.

The Court however, stressed that not every application for leave to adduce further evidence in an appeal would be prejudicial against the Respondent – it will depend on the nature of the particular case, the decision under appeal, and the nature of the further evidence sought to be adduced.

The Court in *Martek Biosciences Corp* also noted the special character of patent proceedings – that a patent will affect not only the parties to the proceeding, but also the market at large. Thus, although Order 87A r 13 (2) Rules of Court seems to give the court an unfettered discretion to allow further evidence to be adduced, subsequent courts are likely to strive for consistency and follow the factors set out in *Martek Biosciences Corp*.

## DEVELOPMENTS

Singapore, together with 7 other countries, signed the Anti-Counterfeiting Trade Agreement in Tokyo on 1 October 2011. The European Union, Mexico and Switzerland will sign the agreement later. ACTA will come into force after



at least six parties have ratified the agreement.

Singapore's Ministry of Law said that ACTA represents a significant achievement in the global fight against infringement of intellectual property rights and in particular, the increase in global counterfeiting and piracy. Key elements of ACTA include more border measures, stronger civil and criminal liability regimes and additional provisions for copyright protection in the digital environment.

ACTA is viewed by many as the most important global intellectual property agreement concluded in more than a decade. Despite its name, ACTA is not limited to provisions counterfeiting activities. ACTA in fact covers all intellectual property rights included in the World Trade Organization's Trade-Related Aspects of Intellectual Property Rights Agreement (TRIPS) and includes important new obligations in the area of copyright.

### **Tax incentives IP expenses**

A government scheme designed to stimulate R&D was passed by Parliament late 2010. Called the Productivity and Innovation Credit scheme, significant tax deductions for IP expenses including registration of and acquisition expenses related to IP will be allowed from 2011 to 2015.

For small and medium-sized enterprises, enhanced deduction of registration or acquisition costs of 150% of up to S\$300,000 of qualifying expenditure over and above the current 100% tax deduction for each of these 2 categories of IP activities may be claimed. There is also a cash-grant component, where eligible businesses have the option of converting up to 7% of their deductions into cash payout in each of the three years of assessment.

### **Cooperation between USPTO, JPO and OHIM**

A Memorandum of Cooperation was signed on 15 December 2010 among the Intellectual Property of Singapore (IPOS), the United States Patent and Trademark Office (USPTO), the Japan Patent Office (JPO) and the Office for Harmonization of the Internal Market (OHIM) to validate an agreed list of goods and services acceptable or otherwise in the 4 jurisdictions. USPTO, JPO and OHIM are collectively known as the Trilateral Partners.

This Trilateral List of goods and services expands the Nice Classification administered by the World Intellectual Property Organization (WIPO) and facilitates consistency and harmonization in the classification of goods and services internationally. The advantage for trade mark applicants is there will be more certainty in the acceptability of the classification of goods and services for applications to these offices. Generally, applicants filing for trade mark protection in 2 or more of these jurisdictions would be able to rely on the same set of goods and services in the applications, thus saving time and costs.

At present, IPOS is also looking to incorporate the acceptable entries in the Trilateral List into the "Search and Pick" online facility for the classification of goods and services - a result of collaboration between IPOS and IP Australia.

## **DATA PROTECTION LAW EXPECTED IN 2012**

Singapore's Minister for Information, Communications and the Arts announced in Parliament in February 2011 that a new data protection bill will



likely be introduced in early 2012.

This follows the conclusion of the Government's review of Singapore's data protection regime, which had concluded that it would be in the country's overall interests to implement a data protection regime to protect individual's personal data against unauthorized use and disclosure for profit.

The Minister indicated that this data protection law will target businesses which collect personal data of individuals, particularly those which engage in excessive and unnecessary collection of individuals' personal data. It is expected that consent of individuals to the disclosure of their personal information will be required. A Data Protection Council is also expected to be set up to oversee the implementation of the legislation.

The Government has commissioned the Infocomm Development Authority of Singapore (IDA) to undertake further consultation and cooperate with relevant stakeholders in the public and private sectors to address concerns over the proposed law. The proposed legislation is expected to be introduced for consideration by Parliament in early 2012.

Singapore does not presently have a generic, omnibus privacy or data protection law. Instead, the collection and use of personal data are regulated to a certain extent by a patchwork of laws, including (i) the common law, (ii) sector-specific legislation (such as the Banking Act (Cap. 19) and the Computer Misuse Act (Cap. 50A)), and (iii) various self-regulatory or co-regulatory codes.

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This newsletter is intended to provide general information only and should not be relied upon as an exhaustive or comprehensive statement of law. Should you have any specific questions, please speak with your usual contact at Amica Law LLC.

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