

## 19. INTELLECTUAL PROPERTY LAW

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### Copyright

#### *Copyright in compilation works*

19.1 Copyright demands originality, and accordingly, copyright protection extends only to those components of a work that are original to the author. It is well-established in copyright law that facts, whether alone or as part of a compilation, are not original and, therefore, may not be copyrighted. More than two decades ago, the US Supreme Court made a landmark ruling in *Feist Publications Inc v Rural Telephone Service Co Inc*<sup>1</sup> (“*Feist*”) that rejected the “sweat of the brow” doctrine, and held that a factual compilation may receive copyright protection only if it features “an original selection or arrangement”.<sup>2</sup> In *Global Yellow Pages Ltd v Promedia Directories Pte Ltd*<sup>3</sup> (“*Global Yellow Pages*”), the High Court finally had the opportunity to consider the applicability of *Feist* to Singapore when deciding whether copyright subsisted in the plaintiff’s telephone directories. The evidence was heard over 23 days, and the statement of claim was amended six times.

19.2 In a judgment that spanned 122 pages in the Singapore Law Reports, George Wei J engaged in a comprehensive exegesis of the US,<sup>4</sup> Australian,<sup>5</sup> Canadian,<sup>6</sup> English,<sup>7</sup> and Singapore<sup>8</sup> case law, and

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1 499 US 340 (1991) at 352–354.

2 *Feist Publications Inc v Rural Telephone Service Co Inc* 499 US 340 (1991) at 348.

3 [2016] 2 SLR 165.

4 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* at [2016] 2 SLR 165 at [79]–[108].

5 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* at [2016] 2 SLR 165 at [109]–[141].

6 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* at [2016] 2 SLR 165 at [142]–[147].

7 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* at [2016] 2 SLR 165 at [148]–[166].

8 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* at [2016] 2 SLR 165 at [167]–[188].

concluded that “not only is the creativity standard required by the Copyright Act [in Singapore] and the authorities, it also rests on firm policy considerations”<sup>9</sup>

19.3 The plaintiff – Global Yellow Pages Limited (“Global Yellow Pages”) – and the defendant – Promedia Directories Pte Ltd (“Promedia Directories”) – both produced telephone directories. The plaintiff alleged that Promedia Directories infringed its copyright in the 2003/2004, 2004/2005, 2005/2006, 2006/2007, 2007/2008, 2008/2009, and 2009/2010 editions of its three printed directories – the “Business Listings”, the “Yellow Pages Business”, and the “Yellow Pages Consumer” – as well as its online directory, the “Internet Yellow Pages”. Global Yellow Pages alleged that Promedia Directories infringed its copyright by, amongst other things, copying and referencing the listings and classifications in its directories. The defendant published “The Green Book Industrial and Commercial Guide” and “The Green Book Commercial and Consumer Guide” until 2007, when these two directories were merged and renamed “The Green Book Industrial and Commercial Guide”. The defendant also produced a digital directory which would be published as a CD-Rom, and maintained an online directory at the URL, <http://www.thegreenbook.com>.

19.4 The central issue was whether Global Yellow Pages’ directories were protected by copyright, and if so, what the scope of that protection was. The works in suit comprised editions of the plaintiff’s “Business Listings”, which was a white pages directory, the plaintiff’s “Yellow Pages Business” and “Yellow Pages Consumer”, which were classified yellow pages directories, and the plaintiff’s online directory. The listings in the Business Listings were arranged in alphabetical order with no classification or categorisation. The listings in the “Yellow Pages” and online directories were arranged in alphabetical order within classifications or categories. All the directories also contained “seeds”, which were dummy listings introduced to detect copying.

19.5 The plaintiff claimed that copyright subsisted in three broad categories of works:<sup>10</sup>

- (a) ... each of the plaintiff’s directories ‘in whole or in part’, as compilations that constitute intellectual creations by the selection and arrangement of their content.

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9 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* at [2016] 2 SLR 165 at [189].

10 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [9].

- (b) ... the ‘seeds’ in the plaintiff’s directories ...
- (c) ... the ‘enhanced data’ found in the plaintiff’s directories.

“Seeds” were false listings which Global Yellow Pages deliberately introduced into its directories to detect copying. These listings comprised a fictitious company or person which bore the plaintiff’s registered or post-office box address. The plaintiff claimed that each individual seed was itself a compilation that constituted an intellectual creation. “Enhanced data” referred to the individual listings in the plaintiff’s directories (that is, business names, addresses, profiles, telephone or fax numbers, website URLs, and other additional information). The data was said to be “enhanced” because the listings appeared in the plaintiff’s directories in their final form only after they had been verified, embellished, arranged, and classified.

19.6 These works were argued to be protected by copyright as compilations, by reason of the selection or arrangement of their contents. The plaintiff alleged that the defendant infringed its copyright by copying or referencing the listings in its directories. The defendant denied copying. It had published The Green Book since 1980 and had built up its own database of listings since then. It argued that telephone directories, which are fact-based, will inevitably be similar in content. Further, it argued there is no copyright in facts, and “similarity in content is not the same as similarity in expression.” The defendant admitted that seeds were found in its online directory and The Green Book CD-ROM, but stated that this was “negligible and minimal and therefore [did] not amount to substantial copying”.<sup>11</sup>

19.7 Wei J held that copyright subsisted *only* in the Yellow Pages directories *as a whole* (the compilation including the front matter, introductory material, special segments, and classified listings), the Business Listings *as a whole* (the compilation including introductory material, various segments and the actual subscriber listings) and the compilations of the listings *in their entirety* in the online directory. However, copyright protection was “thin”. While there was some copying by the defendant, this did not amount to a substantial taking, as much of the copying was of matter in which copyright did not subsist. Therefore, there was no copyright infringement.<sup>12</sup>

19.8 It was held that copyright did not subsist in: the individual listings in the Yellow Pages and Business Listings; the listings selected and arranged within each classification, or the individual classifications

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11 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [15].

12 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [423].

themselves, in both the Yellow Pages and Business Listings; or each individual seed in the online directory.

19.9 In summary, for a compilation to be protected by copyright under s 27(2) of the Singapore Copyright Act<sup>13</sup> (“SCA”), the compiler must satisfy the requirement of “intellectual creation” under s 7A(2) by exercising sufficient creativity or intellectual effort in the *selection or arrangement* of the material or data within the compilation. Moreover, the copyright protection “only extends to the original expression in the form of the selection or arrangement of data or material” and *not* “to the composite parts of the compilation, namely the facts or data contained therein”.<sup>14</sup> The plaintiff was also held liable for groundless threat of copyright infringement under s 200 of the SCA. In the absence of clear binding authority on the position of industrious collection and creativity in determining copyright subsistence in Singapore, the threats made by the plaintiff were overbroad and unjustified.

#### *Applicability of Feist and US case law in Singapore*

19.10 In respect of compilation works, it is clear from ss 4, 7A, and 27(2) of the SCA – read collectively – that copyright can only subsist if: an author can be identified; and any copyright subsisting is limited to the *selection or arrangement of its contents* which constitutes an *intellectual creation*. Wei J emphasised that if copyright were to subsist in compilation works at all, it would not extend to the individual components of the compilation.<sup>15</sup> His Honour cautioned that in a factual compilation, “the facts are necessarily bound up with and implicated in the form of expression. It becomes less clear where the expression stops and the facts begin.”<sup>16</sup> Future litigants arguing copyright subsistence in compilations may wish to note the focus on the requirement of creativity as expressed by Wei J:<sup>17</sup>

[F]or many compilations, the lion’s share of the work, effort and expense will be connected with the discovery of facts or the creation of facts which are then selected and arranged. The degree of effort required in selecting and arranging the facts can also vary considerably. ... Once the ‘macro’ decision is made, the comprehensiveness of the collection is often (but not always) the aim; not selection. The same is also true of arrangement and presentation ... the bigger the data set, the more important it will be to ensure that the individual pieces of information are presented in a user friendly and accessible manner. Whilst there may be creative ways of arranging

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13 Cap 63, 2006 Rev Ed.

14 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [208].

15 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [192].

16 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [70].

17 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [72].

facts to achieve that goal, often times, the facts will be arranged and presented in an obvious manner or by means of use of well-known methods or standards.

19.11 The US Supreme Court had emphasised that the primary objective of copyright is not to reward the labour of authors, but to advance the progress of science and art,<sup>18</sup> and concluded that while this may appear unfair or unfortunate to those who have expended much resources to collect and compile data, ultimately “copyright rewards originality, not effort”.<sup>19</sup> As a result of *Feist*, a preponderance of decisions, especially at the US Circuit Court level, have found factual compilations – for example, those which employ formats of compilations like telephone directories<sup>20</sup> and horse racing guides,<sup>21</sup> which are not different from the convention in the industry – to be lacking in originality and, therefore, incapable of attracting copyright protection.

19.12 However, the definition of the term “intellectual creation” has not been settled in Singapore law. While noting that Singapore is not bound by the US Supreme Court’s decision in *Feist*, Wei J found that the creativity standard in *Feist* is “entirely consistent with the Berne Convention, TRIPS and the language of s 7A [of the SCA]”.<sup>22</sup> Moreover, Wei J observed that the Singapore Court of Appeal in *Asia Pacific Publishing Pte Ltd v Pioneers & Leaders (Publishers) Pte Ltd*<sup>23</sup> (“APP”), albeit in *dicta*, has expressed a preference for the creativity standard,<sup>24</sup> and had agreed with *Feist* and the decision of the Full Court of the Federal Court of Australia in *Telstra Corp Ltd v Phone Directories Co Pty Ltd*<sup>25</sup> (“*Telstra v Phone Directories*”).

19.13 Despite its unanimous approval of *Feist*, the Court of Appeal in APP did not mention the phrase “creative spark”, but instead remarked that a number of decisions:<sup>26</sup>

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18 *Feist Publications Inc v Rural Telephone Service Co Inc* 499 US 340 at 350 (1991), *United States Constitution*, Art I, § 8, cl 8.

19 *Feist Publications Inc v Rural Telephone Service Co Inc* 499 US 340 at 364 (1991).

20 See, eg, *BellSouth Advertising & Publishing Corp v Donnelley Information Publishing, Inc* 999 F 2d 1436 (11th Cir, 1993).

21 See, eg, *Victor Lalli Enterprises v Big Red Apple Inc* 936 F 2d 671 (2nd Cir, 1991).

22 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [198].

23 [2011] 4 SLR 381.

24 *Asia Pacific Publishing Pte Ltd v Pioneers & Leaders (Publishers) Pte Ltd* [2011] 4 SLR 381 at [38].

25 (2014) 316 ALR 590, *Asia Pacific Publishing Pte Ltd v Pioneers & Leaders (Publishers) Pte Ltd* [2011] 4 SLR 381 at [67], [73]–[75], [78], [87] and [94].

26 *Asia Pacific Publishing Pte Ltd v Pioneers & Leaders (Publishers) Pte Ltd* [2011] 4 SLR 381 at [35].

where copyright was granted in respect of seemingly mundane compilations (such as a timetable index, street directories, football fixture lists and a racing information service) were decided predominantly in the early 19th century to the early 20th century [and may] require reconsideration one day.

This creative spark standard has long been the practice of civil law jurisdictions like France, Germany, and Italy.<sup>27</sup> The court hinted at its willingness to follow the *Feist* approach in respect of denying copyright subsistence to compilation works that lack the creative spark when it quoted the High Court of Australia's comment in *IceTV Pty Ltd v Nine Network Australia Pty Ltd*<sup>28</sup> ("*IceTV*") that "[w]hen the particular form of expression contains facts and information, it is not helpful to refer to 'the rough practical test that what is worth copying is *prima facie* worth protecting'".<sup>29</sup>

19.14 In his detailed analysis of US case law, Wei J observed that the protection conferred on compilations by copyright was "thin", and limited to the original selection or arrangement of the facts.<sup>30</sup> In *Feist*, the US Supreme Court held that there was nothing in the selection and arrangement of the plaintiff's white pages that conferred on it copyright protection:<sup>31</sup>

Rural's white pages are entirely typical. Persons desiring telephone service in Rural's service area fill out an application and Rural issues them a telephone number. In preparing its white pages, Rural simply takes the data provided by its subscribers and lists it alphabetically by surname. The end product is a garden-variety white pages directory, devoid of even the slightest trace of creativity.

The US Second Circuit Court of Appeals decision in *Key Publications Inc v Chinatown Today Publishing Enterprises, Inc*<sup>32</sup> adopted a more nuanced reading of *Feist*. Wei J observed that on one reading of *Feist*, nothing short of an exact replica of a copyrighted compilation would amount to infringement. On the contrary, the Second Circuit refused to take such a "self-defeating" view of *Feist*, and preferred a broader approach: "[w]hat must be shown is [the] substantial similarity between those elements,

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27 See Tan Tee Jim, "New Law for Compilations and Databases in Singapore?" (2012) 24 SAclJ 745 at 772 for a summary of the relevant provisions.

28 [2009] 239 CLR 458 at [31].

29 *Asia Pacific Publishing Pte Ltd v Pioneers & Leaders (Publishers) Pte Ltd* [2011] 4 SLR 381 at [36], citing *IceTV Pty Ltd v Nine Network Australia Pty Ltd* [2009] 239 CLR 458 at [31].

30 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [83].

31 *Feist Publications Inc v Rural Telephone Service Co Inc* 499 US 340 at 362 (1991).

32 945 F 2d 509 (2nd Cir, 1991).

and only those elements, that provide copyrightability to the allegedly infringed compilation.”<sup>33</sup>

### *Australian case law*

19.15 On Australian case law, Wei J found it instructive that:<sup>34</sup>

there has been a perceptible shift from the ‘sweat of the brow’ approach to one that instead focuses on intellectual effort expended in reducing the work to its final form of expression. The Australian copyright legislation is also substantially similar to that in Singapore.

While s 27 of the SCA, which deals with original works in which copyright subsists, is based on and is identical to s 32 of the Australian Copyright Act 1968<sup>35</sup> (“ACA 1968”), the definition of a “literary work” is different. Nonetheless, these differences were insufficient to downplay the highly persuasive nature of the decision of the High Court of Australia in *IceTV*. Unlike s 7A(3) of the SCA, the ACA 1968 does not contain the phrase “intellectual creation” or its equivalent in relation to compilation works. Nevertheless, in *IceTV*, French CJ, Crennan and Kiefel JJ emphasised the centrality of “productive effort” directed to “originality of the particular form of expression of information”; this notion is similar to that of “intellectual creation” in respect of compilation works.<sup>36</sup> Similarly, Gummow, Hayne and Heydon JJ emphasised that the detailed and lengthy preparatory work involved in programme scheduling was directed to the Nine Network Australia Pty Ltd’s (“Nine’s”) business, rather than the form of expression of the weekly schedule itself. Their Honours also highlighted the need to treat with some caution the emphasis upon labour and expense *per se* and upon misappropriation.<sup>37</sup>

19.16 In *IceTV*, the plaintiff, Nine, selected and scheduled television programmes to be broadcast by certain free-to-air television stations. The scheduling of programmes involved Nine’s computer network, “the Nine Database”. Nine produced weekly schedules of the television programmes to be broadcast two weeks in advance based on information from the Nine Database. The weekly schedules were then forwarded to third parties who published aggregated guides of the television programmes based on those schedules in various media. The

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33 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [95].

34 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [109].

35 Copyright Act 1968 (Cth).

36 *IceTV Pty Ltd v Nine Network Australia Pty Ltd* [2009] 239 CLR 458 at [52] and [54].

37 *IceTV Pty Ltd v Nine Network Australia Pty Ltd* [2009] 239 CLR 458 at [167]–[171] and [187]–[188].

defendant, IceTV, produced the “IceGuide”, which was an electronic programme guide for television. The IceGuide schedules, which were used to produce the IceGuide, were verified and corrected against the aggregated guides. Nine alleged that by doing so, IceTV had reproduced a substantial part of the weekly schedules or alternatively, the Nine Database, which was the source of the information. IceTV accepted that copyright subsisted in the works in suit, namely, each weekly schedule and each week’s version of the Nine Database. The sole question before the High Court of Australia was whether there was a reproduction of a substantial part from any of the individual works. The High Court unanimously rejected Nine’s claim for copyright infringement.

19.17 The appeal to the High Court was on the issue of originality in copyright *infringement* rather than subsistence. Nonetheless, in finding that there was no copyright infringement in the compilation of television programmes because of a lack of originality, French CJ, Crennan and Kiefel JJ were of the view that:<sup>38</sup>

[T]he expression of the time and title information, in respect of each programme, is not a form of expression which requires particular mental effort or exertion. The way in which the information can be conveyed is very limited ... The authors of the Weekly Schedule (or the Nine Database) had little, if any, choice in the particular form of expression adopted, as that expression was essentially dictated by the nature of the information.

These observations are in line with the US Supreme Court’s decision in *Feist* in the context of the requirement of originality in copyright subsistence; it should also be noted that the Australian Constitution does not contain a provision similar to the US Copyright Clause,<sup>39</sup> but the High Court has essentially followed the *Feist* approach to the determination of originality in compilation works.

### *Canadian and English case law*

19.18 Devoting just six short paragraphs to Canadian case law,<sup>40</sup> Wei J found the position in Canada to be “an intermediate one” and commented that “however skill and judgment is [*sic*] defined, the Canadian Supreme Court nonetheless emphasised that it must be related to and directed towards the particular expression of the information or ideas”.<sup>41</sup>

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38 *IceTV Pty Ltd v Nine Network Australia Pty Ltd* [2009] 239 CLR 458 at [43].

39 United States Constitution, Art I, § 8, cl 8.

40 *CCH Canadian Ltd v Law Society of Upper Canada* [2004] 1 SCR 339; 2004 SCC 13.

41 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [142] and [146].



19.19 Regarding English case law, it was noted that although many cases recognise the importance of protecting the labour of authorship through the “sweat of the brow” doctrine, the passage of the European Union Directive on the legal protection of Databases<sup>42</sup> has brought into sharper focus that “the purpose of copyright was to provide encouragement for creative endeavour, and differed in this respect from the *sui generis* right which was designed to encourage investment in particular types of data gathering.”<sup>43</sup> After surveying a number of decisions of the European Court of Justice and the English Court of Appeal, Wei J concluded that:<sup>44</sup>

the question that remains is the extent to which effort and labour expended on finding, observing and recording facts is relevant in determining originality for the purposes of copyright law in English law. On its own, it is improbable that the labour of discovering facts will be sufficient.

*Singapore authorities on copyrightability and “intellectual creation”*

19.20 Singapore case law has been scant on copyright subsistence in compilation works. In *Singapore Land Authority v Virtual Map (Singapore) Pte Ltd* and *Virtual Map (Singapore) Pte Ltd v Singapore Land Authority*<sup>45</sup> (collectively “*Virtual Map*”), the question was whether Virtual Map’s continued use of its online maps after the termination of the licences granted by the Singapore Land Authority amounted to copyright infringement. Wei J commented that:<sup>46</sup>

The *Virtual Map* cases may thus have expressed a view that was in line with the sweat of the brow approach. That was the approach taken in the District Court, and there were no adverse comments on that approach in the High Court or the Court of Appeal, even though the issue of subsistence was, strictly speaking, not before either of those courts.

19.21 In *APP*, although the bulk of the Court of Appeal’s judgment focused on the requirement and identification of a human or “natural” author for the purposes of copyright subsistence, its explicit recitation of

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42 Council Directive (EC) 96/9 concerning the legal protection of databases [1996] OJ L 77/20.

43 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [157], referring to *Football Datco Ltd v Brittens Pools Ltd* [2010] RPC 17 at [80].

44 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [165].

45 *Singapore Land Authority v Virtual Map (Singapore) Pte Ltd* [2007] SGDC 216; *Virtual Map (Singapore) Pte Ltd v Singapore Land Authority* [2008] 3 SLR(R) 86; [2009] 2 SLR(R) 558.

46 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [174].

the “four key principles” distilled from *Feist* merits attention. The court was of the view that:<sup>47</sup>

... First, facts are not copyrightable. Second, compilations of facts, however, are generally copyrightable. Third, the *sine qua non* of copyright is originality. Fourth, originality simply means that the work was independently created by the author and that it possesses some minimal degree of creativity, the level of creativity required being extremely low ...

The key requirements established by the court in respect of “originality” in compilation works are that a human author must be identified, and that something more than expenditure of time, labour, and effort ought to be present.

19.22 On the facts of *APP*, it was found that the information in the four tables in the racing guide published by the plaintiff was “presented in a distinct form which would attract copyright protection” [emphasis in original].<sup>48</sup> Unlike the factual scenario in *Feist*, where the selection, co-ordination, and presentation of the names, addresses, and telephone numbers of telephone subscribers in the White Pages in a conventional alphabetical listing lacked the creative spark to satisfy the originality requirement, it appeared that the selection, ordering and arrangement of the information in the four tables (*viz*, Race Card, Results Panel, Track Work, and Records of Past Performances) as presented in the magazine, “*Punters’ Way*”, would clear this hurdle. However, on the facts, the plaintiff failed to identify a human author and, therefore, the four tables in *Punters’ Way* could not obtain copyright protection.

19.23 Delivering the judgment for a unanimous court in *APP*, VK Rajah JA foreshadowed a significant shift in Singapore copyright jurisprudence:<sup>49</sup>

[I]t is not the preparatory efforts or process of gathering facts that is protected. Rather it is the thought effort involved in creating the particular form of expression that is embraced by copyright. Not infrequently, the expression of data, say, through an alphabetical listing, will involve little ingenuity or skill beyond mechanical labour or routine programming. In such matters, it may be difficult to argue that copyright protection is called for ... [emphasis added]

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47 *Asia Pacific Publishing Pte Ltd v Pioneers & Leaders (Publishers) Pte Ltd* [2011] 4 SLR 381 at [38].

48 *Asia Pacific Publishing Pte Ltd v Pioneers & Leaders (Publishers) Pte Ltd* [2011] 4 SLR 381 at [104].

49 *Asia Pacific Publishing Pte Ltd v Pioneers & Leaders (Publishers) Pte Ltd* [2011] 4 SLR 381 at [37].

The *Feist* court found that *creative choices* in the selection and arrangement of the data were necessary to generate sufficient originality to warrant copyright protection; thus, a “creation” may be considered “intellectual” if it is one made by the author that is not dictated by the function of the work, or by applicable industry or conventional standards. Similar sentiments were expressed in *APP* and *IceTV*.

19.24 Finally, Wei J also observed that in *RecordTV Pte Ltd v MediaCorp TV Singapore Pte Ltd*,<sup>50</sup> Rajah JA commented: “[a]lthough copyright law is intended to promote creativity and innovation by granting exclusive rights ... there is also a public interest in not allowing copyright law to hinder creativity and innovation.”<sup>51</sup> Indeed, copyright law is “not just about protecting the commercial interests of the author or copyright owner ... It is a means to an end: benefit to the society as a whole.”<sup>52</sup> The focus on copyright serving the “public benefit” was also articulated in the recent public consultation on copyright reforms where copyright was stated to be “an economic incentive for creative activity that benefits society.”<sup>53</sup>

19.25 On the state of the law, Wei J held that the requirement of “intellectual creation” under s 7A(2) of the SCA is confined only to the elements of original expression arising from the author’s *selection and arrangement* of the individual components of the compilation and does not extend to the individual components of the compilation. Furthermore, citing *APP*, Wei J was of the view that with a compilation, it is the intellectual effort in “creating the form of expression” that is protected and not the effort in collecting or gathering facts.<sup>54</sup> While there may be a lacuna in Singapore law in the absence of a *sui generis* database right, it is:<sup>55</sup>

... not the role of the court nor does it have the tools to shape the law to extend copyright protection to an entire class of subject matter (*ie*, data) on the basis of substantial investment in the obtaining of information or data. On the creativity view, this is fundamentally at odds with the essence of copyright protection ...

### *Application to the facts*

19.26 Wei J found that copyright did *not* subsist in the individual listings because the form of expression contained in the listings did not

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50 [2011] 1 SLR 830.

51 *RecordTV Pte Ltd v MediaCorp TV Singapore Pte Ltd* [2011] 1 SLR 830 at [69].

52 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [182].

53 Ministry of Law and Intellectual Property Office of Singapore, *Public Consultation on Proposed Changes to Singapore’s Copyright Regime* (23 August 2016) at para 1.2.

54 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [200].

55 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [206].

meet the requisite level of originality for copyright protection to be conferred on it. Wei J commented:<sup>56</sup>

There is no doubt that the plaintiff has invested painstaking effort and considerable expense in developing procedures, creating software and employing persons to collect, verify and sort subscriber information ...

... But that effort is not what copyright protects. The difficulty is that *none* of that effort is directed at the *particular form of expression*: the individual listing. And in my judgment, there can be little, if any at all, intellectual effort or creativity directed towards the expression of a listing in a telephone directory. [emphasis in original]

19.27 Wei J similarly held that copyright did not subsist in the compilation of listings under each classification in the Yellow Pages directories. In particular, it was observed that:<sup>57</sup>

... there was no creativity or intellectual effort in reducing the work (*ie*, the individual listings under each classification) to the *final form of expression*. Any intellectual effort expended by the plaintiff's employees was directed at the *discovery of facts* and did not fix upon the selection and arrangement of the listings within the classifications. [emphasis in original]

Furthermore, any authorial choice purported to be made by members of the Sales Department or the Records Maintenance Team was limited to making recommendations to prospective clients "who retained the ultimate decision as to whether they wished to be placed in the particular recommended classification".<sup>58</sup>

19.28 Copyright was also found *not* to subsist in the seeds – which were false entries deliberately inserted into the plaintiff's directories to detect instances of copying. Approximately 55 seeds were introduced into the Business Listings, the Yellow Pages Business, and the Yellow Pages Consumer every year. The fictitious names were modified slightly year on year with a unique identifier that could be used to trace the year in which the seed was introduced. The issue here was whether it would be appropriate to treat a seed – a piece of writing comprising a fictitious name, an address, and a phone number – as an original literary work. Wei J surveyed a comprehensive range of relevant cases and opined that it was a really "a matter of judgment whether there is sufficient intellectual input and content to qualify very short phrases as original literary works".<sup>59</sup> In the end, Wei J concluded that it was not enough to

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56 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [220]–[221].

57 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [227].

58 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [232].

59 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [299].

prove that each individual seed had value or utility, and there was “insufficient skill in devising the individual seeds to qualify them for copyright protection”<sup>60</sup>

19.29 However, copyright was found to subsist in all of the plaintiff’s directories *as a whole* despite the plaintiff not identifying precisely what “as a whole” comprised.<sup>61</sup> This creates a rather troubling legal precedent, albeit it does not have a significant practical effect on the issue of infringement. For instance, the High Court of Australia in *IceTV* emphasised that it was “essential that the plaintiff identify precisely the work or works in which copyright is said to subsist and to have been infringed”.<sup>62</sup> Wei J himself noted that: “[t]his is because the identification of the precise work in which copyright is said to subsist is the first step from which everything flows. It determines the scope of the copyright protection and whether there has been infringement.”<sup>63</sup>

19.30 Presumably, when one finds that copyright subsists in a telephone directory as a whole, one looks at the totality of the compilation work that includes the introductory material, graphic artwork, typeface, layout, and positioning of advertisements. In *BellSouth Advertising & Publishing Corp v Donnelley Information Publishing, Inc*<sup>64</sup> (“*BellSouth*”), a decision of the US Eleventh Circuit Court of Appeals, the validity of BellSouth Advertising & Publishing Corporation (“BAPCO”)’s copyright in its directory, considered as a whole, was conceded by the defendant.<sup>65</sup> Although the issue of copyright subsistence was not appealed, the Eleventh Circuit commented that the district court had “erred by extending copyright protection to the collection of facts in the BAPCO directory based on the uncopyrightable formative acts used to generate those listings”.<sup>66</sup> The court noted:<sup>67</sup>

While the listings in BAPCO’s yellow pages required somewhat more organization and arrangement than the white pages directory considered in *Feist*, BAPCO’s claim of ‘originality’ must be resolved by comparison to other business telephone directories. BAPCO did not deviate from the arrangement of the typical business directory, which employs an alphabetical list of headings to describe the various types

60 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* at [303].

61 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* at [235].

62 *IceTV* (2009) 239 CLR 458 at [15], *per* French CJ, Crennan and Kiefel JJ.

63 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [235].

64 999 F 2d 1436 (11th Cir. 1993).

65 *BellSouth Advertising & Publishing Corp v Donnelley Information Publishing, Inc* 999 F 2d 1436 (11th Cir, 1993) at 1440.

66 *BellSouth Advertising & Publishing Corp v Donnelley Information Publishing, Inc* 999 F 2d 1436 (11th Cir, 1993) at 1441.

67 *BellSouth Advertising & Publishing Corp v Donnelley Information Publishing, Inc* 999 F 2d 1436 (11th Cir, 1993) at 1442, fn 13.

of business and then alphabetizes the listings under the appropriate headings ...

While Singapore law does not recognise the “merger” doctrine, it is worth noting that BAPCO’s claim of copyright in the arrangement of its directory also did not survive application of the “merger” doctrine under US law. In *BellSouth*, it was held that under the merger doctrine, “expression is not protected in those instances where there is only one or so few ways of expressing an idea that protection of the expression would effectively accord protection to the idea itself”.<sup>68</sup> Since there is only this one way to construct a useful business directory, the arrangement had “merged” with the idea of a business directory and, thus, was uncopyrightable.<sup>69</sup>

19.31 Nonetheless, Wei J found that there was sufficient discretion exercised by the Marketing Department regarding the choice of classifications to be included in the directories to satisfy the requirement of “intellectual creation” but emphasised that the copyright protection conferred on it was a “thin” one.<sup>70</sup> His Honour was mindful to add:<sup>71</sup>

... The copyright does not protect the individual listings, the individual listings within the classification or even the individual classifications themselves. It is limited to the plaintiff’s selection and arrangement of the various classifications and listings within each of the Yellow Pages directories as a whole.

19.32 Regarding the Business Listings *as a whole*, Wei J expressed multiple reservations in finding copyright subsistence including lack of originality<sup>72</sup> and a human author,<sup>73</sup> but rather than unequivocally denying copyright protection to the Business Listings directory, his Honour was prepared to accept that the Business Listings directory as a whole was an original work.<sup>74</sup> In another perplexing comment, Wei J noted: “[i]t is not exactly clear as to what the plaintiff means by the online directory.”<sup>75</sup> But his Honour then charitably proceeded to find that the online directory *as a whole* was also entitled to “thin” copyright protection and was limited to “the arrangement of the listings through

68 *BellSouth Advertising & Publishing Corp v Donnelley Information Publishing, Inc* 999 F 2d 1436 (11th Cir, 1993).

69 *BellSouth Advertising & Publishing Corp v Donnelley Information Publishing, Inc* 999 F 2d 1436 (11th Cir, 1993) at 1442.

70 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [251], citing *Feist Publications Inc v Rural Telephone Service Co Inc* 499 US 340 (1991) at 1290.

71 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [251].

72 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [262].

73 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [266].

74 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [270].

75 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [273].

the entire scheme setting in place the various categories (including drill-downs and sub-categories), filters and keywords that were employed in the online directory”<sup>76</sup>.

19.33 On the facts, Wei J was satisfied that Promedia Directories had engaged in independent data collection from third-party sources, although there was strong evidence that the defendant relied heavily on the plaintiff’s directories as part of its data collection and verification processes.<sup>77</sup> Regarding the classifications, it was held that Promedia’s employees referenced the classifications in the plaintiff’s Yellow Pages and online directories as part of the defendant’s attempt to ensure that its own classifications were relevant and updated, but they were not for copying; rather, they were reference points “for the purpose of grounding their own research into new classifications”<sup>78</sup>.

19.34 On the selection and arrangement of listings within Promedia’s directories, Wei J also found that the defendant’s extraction and selection criteria differed markedly from the plaintiff’s (whether the printed directories or the online directory):<sup>79</sup>

... Whilst the plaintiff’s directories appeared to prize inclusivity and exhaustiveness, the defendant’s directories (*especially* the printed directories) were built around potential advertisement revenue. The defendant had no qualms about leaving out of its printed directories companies which it thought would likely not advertise in them. [emphasis in original]

The defendant was found to have conducted extensive market intelligence on advertisers in the plaintiff’s directories and other directories, and had painstakingly built up a database on various companies and their advertising habits.<sup>80</sup>

### *Copyright infringement*

19.35 In order to establish copyright infringement, it must be shown that the defendant copied a substantial part of the copyright work. It is, generally, not copyright infringement to merely reference a work for information, but infringement may be found where the referencing goes beyond mere use of the information and into a reproduction of a

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76 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [274].

77 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [311]–[313] and [336]–[337].

78 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [349].

79 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [360].

80 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [350]–[355].

substantial part of the expression of the information that is protected by the copyright. Wei J commented that:<sup>81</sup>

[T]he bare entry of listings into a database (temporary or otherwise) does not infringe the copyright in the directories as a whole. In order for such lifting or referencing of information to amount to infringement, it has to be shown that the defendant entered in so many of the listings such that he can properly be regarded as having taken the original *selection or arrangement of the directory as a whole*, which is what is cloaked with copyright. [emphasis in original]

19.36 According to Wei J, the issue here was whether there was substantial taking when *only* the listings (albeit in their entirety) were photocopied or scanned without the other material. Wei J concluded that the defendant's photocopying or scanning of the entirety of the listings in the Business Listings did not amount to copyright infringement. His Honour observed that:<sup>82</sup>

... There is no selection of the listings in the Business Listings, which, as a whole-of-the-universe directory, prizes exhaustiveness. The sorting and arrangement of the listings into alphabetical format (as described earlier) is obvious and requires little ingenuity or intellectual effort ... the portions of the Business Listings that were reproduced by the defendant, although voluminous, were not substantial in the copyright sense. Not an iota of originality rested in the material that the defendant reproduced. All that was taken by the defendant was the facts that constituted the listings. What may have made the Business Listings original as a whole was the selection and arrangement of the listings *together with* the other material such as lists of emergency phone numbers; important/useful numbers; government and quasi-government listings, *etc.* [emphasis in original]

With respect, this is a somewhat perplexing and unnecessary distinction. Generally, typical Business Listings directories include details of such emergency and government listings. It was difficult to see how the Business Listings published by Global Yellow Pages was different from the "garden-variety white pages directory" that the US Supreme Court referred to in *Feist* when denying copyright protection to Rural's white pages there.<sup>83</sup> Nevertheless, the analysis on the infringement is correct, and is in line with the *BellSouth* majority who found that "[b]y copying the name, address, telephone number, business type, and unit of advertisement purchased for each listing in the

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81 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [365].

82 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [369].

83 *Feist Publications Inc v Rural Telephone Service Co Inc* 499 US 340 (1991).



BAPCO directory, [the defendant] copied no original element of selection, coordination or arrangement”<sup>84</sup>

19.37 In respect of the Yellow Pages and online directories, Wei J held that since copyright did not subsist in these individual listings or the classifications, and so there could be no infringement from copying this information, his Honour was also satisfied that there were sufficient differences in the defendant’s method of selecting and arranging the material in its directories, such that it did not reproduce a substantial part of the aspects of the plaintiff’s Yellow Pages and online directories that he had found to have contributed towards originality in the Yellow Pages and online directories as a whole.<sup>85</sup>

### *Other observations*

19.38 Industrious collection is *not* the same as intellectual creation. Over a decade ago, Daniel J Gervais, in his survey of a number of common law and civil law jurisdictions, concluded that “a *Feist*-like standard is now applied or may soon emerge in key common law countries [and] that civil law systems have also adopted a similar doctrine”<sup>86</sup> One of the present authors had previously commented that:<sup>87</sup>

The Court of Appeal’s *dicta* in *APP* with its endorsement of *Feist* represents a new enlistee joining an unstoppable march away from the traditional bastion of the ‘sweat of the brow’ standard towards a 21st century originality requirement of a ‘creative spark’ that can better acknowledge the significant contribution of automation, data storage and retrieval technologies in the production of compilation works with minimal input from a human author, and promote the important societal goal of ensuring adequate public access to the information and data contained in these compilation works.

*Global Yellow Pages* has certainly been conscripted on this global convergence.

### ***Groundless threats of legal proceedings***

19.39 Section 200(1) of the SCA provides that where a person threatens another person with a copyright infringement action, the latter may bring an action against the former for, *inter alia*, a declaration

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84 *BellSouth Advertising & Publishing Corp v Donnelley Information Publishing, Inc* 999 F 2d 1436 (11th Cir, 1993) at 1446.

85 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [371].

86 Daniel J Gervais, “*Feist* Goes Global: A Comparative Analysis of the Notion of Originality in Copyright Law” (2002) 49 J Copyright Soc’y USA 949 at 951.

87 David Tan, “Copyright in Compilations: Embarking on A Renewed Quest for the Human Author and the Creative Spark” (2013) 18 MALR 151 at 162.

that the threat is unjustifiable, unless the former satisfies the court that the alleged infringing acts “constituted, or if done, would constitute, an infringement of copyright”. In a brief paragraph, the Court of Appeal in *APP* concluded that since “copyright did not subsist in the Tables in *Punters’ Way*, and that the Appellant therefore could not have infringed any copyright of the Respondent’s, it must follow that the Respondent has made groundless threats against the Appellant”<sup>88</sup> The Court of Appeal held that the defendant-appellant was entitled to damages against the plaintiff-respondent for groundlessly threatening the appellant with copyright infringement under s 200(1) of the Act – which should be assessed by an assistant registrar – and an injunction restraining the respondent from making further threats against the appellant in respect of the subject matter of these proceedings.<sup>89</sup>

19.40 The short disposition of the groundless threat claim in favour of the defendant on the sole basis that the plaintiff was unable to prove copyright subsistence in the compilation work is a harbinger of grim times ahead for any corporation who fails to satisfy the threshold requirement of copyright subsistence in a copyright infringement claim. Wei J examined a line of Australian cases in respect of a similar provision in the ACA 1968 which have cast doubt on the position that liability for groundless threats is a strict one.<sup>90</sup> His Honour noted that the Federal Court in *Telstra v Phone Directories* held that Telstra’s threat of copyright infringement was *justifiable* because it was made on “strong Full Court authority”, based on the law as it then stood in *Desktop Marketing Systems Pty Ltd v Telstra Corp Ltd* in Australia.<sup>91</sup>

19.41 Wei J was of the view that although an honest belief in the legitimacy of the threat is rightly no defence under Singapore law under the groundless threat provision, “the position may be different where it is shown that, at the time when the threat was made, there was *clear binding authority* that the acts complained of constituted copyright infringement” [emphasis in original].<sup>92</sup>

19.42 Unfortunately for the plaintiff, there was no clear binding authority on the position of the test for copyright subsistence in compilation works at the time the threats of action were made in 2009. Wei J held that the defendant’s counterclaim for groundless threats

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88 *Asia Pacific Publishing Pte Ltd v Pioneers & Leaders (Publishers) Pte Ltd* [2011] 4 SLR 381 at [142].

89 *Asia Pacific Publishing Pte Ltd v Pioneers & Leaders (Publishers) Pte Ltd* [2011] 4 SLR 381 at [143].

90 See, eg, *Telstra Corp Ltd v Phone Directories Co Pty Ltd* (2014) 316 ALR 590.

91 (2002) 192 ALR 433, *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [413].

92 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [414].

succeeded as the “overbroad and unjustified allegations were *precisely* the type of threats that s 200 of the [SCA] was meant to deter”.<sup>93</sup> In particular, the threats of action in the September 2009 letters served on the defendant stated that the defendant had “infringed the plaintiff’s copyright in *information, classifications and artworks* in the plaintiff’s directories” [emphasis in original].<sup>94</sup>

19.43 In *Singsung Pte Ltd v LG 26 Electronics Pte Ltd*<sup>95</sup> (“*Singsung*”), the Court of Appeal handed down a unanimous joint judgment on passing off and copyright infringement in respect of electrical appliances and clarified the position of the law on groundless threats of legal proceedings under s 200 of the SCA.

19.44 The appellant, *Singsung Pte Ltd*, was a Singapore company that engaged in the business of exporting new electrical appliances manufactured in China to African and Asian markets. The respondent, *LG 26 Electronics Pte Ltd*, also traded in electrical appliances. The respondent’s products bore striking visual similarities to the appellant’s products across a range of goods. In some cases, the products were sourced from the same Chinese manufacturers. For most of the products which were the subject matter of the proceedings before the court, the only discernible difference between the appellant’s and respondent’s goods was the logo that was affixed to them. The appellant’s products had the “SINGSUNG” mark, while the respondent’s products bore the “LS” mark. The respondent also targeted the same export markets as the appellant.

19.45 *Singsung* sued *LG 26 Electronics* for passing off and also brought a concurrent action against the respondent for copyright infringement in six artistic works. Only three of these six works were relevant to the appeal, being (a) the “White Get-Up Picture” (a picture of a DVD player, guitar and sitting room on the packaging of a DVD player); (b) the “Blue Get-Up Picture” (a picture of a DVD player on the packaging of a DVD player); and (c) the “TV Sticker” (a sticker found on the appellant’s television sets that set out information pertaining to the television sets). Prior to the institution of legal proceedings, the appellant’s solicitors sent a letter of demand to the respondent, stating that the respondent had infringed the appellant’s copyright in these works. The respondent counterclaimed for groundless threats of copyright infringement under s 200 of the SCA.

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93 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [417].

94 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [416].

95 [2016] 4 SLR 86.

19.46 The court allowed the appeal in relation to (a) and (c), finding first, that the appellant owned copyright in the “White Get-Up Picture” (following an assignment), and that the respondent had infringed it.<sup>96</sup> The evidence showed that the Yinke Factory (the Chinese factory whose employee had substantially produced the White Get-Up Picture) had intended that the exclusive right to use and exclude others from using the White Get-Up Picture would vest in the appellant. This amounted to an assignment by the Yinke Factory of the copyright in the White Get-Up Picture to the appellant, and the assignment satisfied the formal requirements of s 194(3) of the SCA.

19.47 Second, in relation to the TV sticker, the court found that secondary copyright infringement was established under s 32 of the SCA. The question on appeal as regards the TV Sticker was whether the respondent knew or ought reasonably to have known, at the time it placed the first order for its stickers, that the making of the stickers on behalf of the respondent was done without the consent of the copyright owner. Sundaresh Menon CJ, in delivering the judgment for the unanimous Court, held that the relevant knowledge for this purpose was not knowledge as a matter of legal conclusion that the respondent might be infringing copyright, but knowledge as a matter of fact that the respondent might be using something that belonged to the appellant without its consent. The evidence showed that the respondent ought to have been alerted to the possibility that it would be using material that belonged to the appellant, but that the respondent conducted no inquiries as to the provenance and ownership of the TV Sticker which bore the “SINGSUNG” mark. In the circumstances, the court was satisfied that the respondent knew or ought reasonably to have known that the making of the TV Sticker was carried out without the consent of the owner of the copyright and, hence, the infringement claim was upheld.<sup>97</sup>

19.48 In relation to (b), the court held that the Blue Get-Up Picture was found to be a straightforward representation of a commonplace object and nothing less than identical copying would suffice to amount to copyright infringement.<sup>98</sup> In reaching this conclusion, the court relied on the time-honoured authority of *Kenrick & Co v Lawrence & Co*,<sup>99</sup> where Alfred Wills J said, of a pictorial representation of a hand holding a pencil and marking a cross in a square on ballot paper:<sup>100</sup>

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96 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [97]–[100].

97 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [113]–[116].

98 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [111]–[112].

99 (1890) 25 QBD 99.

100 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [109], citing *Kenrick & Co v Lawrence & Co* (1890) 25 QBD 99 at 102–104.

I think that I am upon very safe ground in saying that the mere choice of subject can rarely, if ever, confer upon the author of the drawing an exclusive right to represent the subject ... It may be also that even the coarsest, or the most commonplace, or the most mechanical representation of the commonest object is so far protected on registration that an exact representation of it, such as photography for instance would produce, would be an infringement of copyright. *But in such a case it must be surely be nothing short of an exact literal reproduction of the drawing registered that can constitute the infringement, for there seems to me to be in such a case nothing else that is not the common property of all the world.* [emphasis added]

19.49 This decision is pertinent for the observations made by Menon CJ on s 200 of the SCA. In *Global Yellow Pages*, handed down four months before *Singsung*, Wei J had discussed the applicability of the decision of the Federal Court of Australia in *Telstra v Phone Directories* regarding the circumstances in which a threat might be considered justifiable, before concluding that the plaintiff had made groundless threats because at the time when the claims were made, there was no clear binding authority that the acts complained of constituted copyright infringement.<sup>101</sup>

19.50 Menon CJ surveyed a number of groundless threats provisions in intellectual property legislation in Singapore, the UK, and Australia,<sup>102</sup> finding that:<sup>103</sup>

While the contours and language of each piece of legislation may differ, the rationale underlying the groundless threats provisions are broadly aligned. In essence, the groundless threats provision seek to establish a balance between the protection of existing intellectual property rights and the prevention of ‘bullying’ tactics where right-holders use the threat of legal proceedings directed at their competitors or their customers to chill their legitimate activities ...

19.51 In essence, the SCA is largely modelled on Australia’s copyright law,<sup>104</sup> and Menon CJ noted that the history of the legislative intention of s 200 of the SCA is intimately connected to s 202 of the ACA 1968, and is also consistent with the general rationale behind groundless threats provisions in other Commonwealth jurisdictions, that is, “to provide a statutory remedy for aggrieved parties whose business or reputation

101 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [412]–[418].

102 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [122]–[128].

103 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [129].

104 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [130], referring to *Singapore Parliamentary Debates, Official Report* (5 May 1986), vol 48 at col 12 (Prof S Jayakumar, Second Minister for Law).

might be affected by threats emanating from another party without the need to prove the bad faith of the threatening party”.<sup>105</sup>

19.52 The following illuminating remarks from Menon CJ will provide much welcomed guidance to the legal community:<sup>106</sup> the court will be “unwilling to hold that a letter of demand sent privately to an alleged infringer can *never* amount to a groundless threat” [emphasis in original]; it “does not follow that where an allegation of infringement has failed, this *must* necessarily result in any relief being granted under s 200 of the [SCA]” [emphasis in original]; and in each case, the question of whether relief ought to be granted will be a fact-sensitive inquiry as to whether the action is warranted and whether any relief is required at all, taking into account also the cost consequences flowing from a failed claim.

19.53 Last but not least, the chief justice acknowledged that.<sup>107</sup>

[A]lthough the rationale behind the groundless threats provisions may be to prevent the use of unjustified threats to *unfairly* injure competitors, the groundless threats provisions may have an unintended ‘chilling’ effect. Fearing the prospect of costly litigation and exposure to liability under the groundless threats provision to larger businesses with greater financial resources, small and medium-sized firms that own intellectual property rights may hesitate to enforce, and perhaps even forgo, their rights. In our view, this may be one area of the law that would benefit from legislative attention and possible reform. [emphasis in original]

19.54 On the facts of *Singsung*, unlike in *Global Yellow Pages*, the court held that the letter of demand in so far as it concerned the Blue Get-Up Picture sent by the plaintiff’s solicitors was not conduct of a sort that would be an unjustified threat under s 200 of the SCA, even though the defendant had not infringed copyright in the Blue Get-Up Picture. It was also relevant that “no conceivable damage flows from the demand having been made, which cannot now be compensated by a costs order against the appellant for having made an unwarranted threat”.<sup>108</sup>

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105 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [133].

106 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [148].

107 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [138].

108 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [149].

## Passing off

### *Elements of passing off and “instruments of deception”*

19.55 In *Singsung*, the Court of Appeal considered the tort of passing off and copyright infringement in the context of the similar get-up of two competing products. A helpful analysis was also prescribed for the law that was applicable to groundless threats, under s 200 of the SCA.

19.56 The facts have been recited in detail in paras 19.44–19.45 above. Both parties exported new electrical appliances to the African and Asian markets, sourced (in terms of manufacture) from the same Chinese manufacturers. The court observed that for most of the products that were the subject matter of the proceedings before the court, the only discernible difference between the appellant’s and respondent’s goods was the logo that was applied to them – the “Singsung” mark and the “LS” mark. The respondent targeted the same export markets as the appellant.

19.57 The appellant commenced proceedings against the respondent for, *inter alia*, passing off, arguing that it had goodwill in its business and this goodwill was sufficiently associated with the get-up of its products. Based on the use of near-identical get-up, the respondent’s actions were calculated to deceive the trade mark and public into the belief that its products originated from or were associated with the appellant. The court had occasion to consider whether the tort of passing off was made out based on the utilisation of “instruments of deception” through get-up and packaging.<sup>109</sup>

### *Goodwill and distinctiveness*

19.58 In considering whether the appellant had established goodwill in its business and associated get-up or packaging, Menon CJ recognised that goodwill is the legal property that the law of passing off protects, observing that it is “an amorphous idea that does not sit well with strict definitions”.<sup>110</sup> The goodwill that was relevant to a passing off action was not goodwill in the mark, logo, or get-up but the tort protected a trader’s relationship with his customers.<sup>111</sup>

19.59 The court reiterated that goodwill, in the context of passing off, is concerned with goodwill to the business as a whole and not

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109 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [42].

110 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [32].

111 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [33].

specifically in its constituent elements, such as the mark, logo, or get-up that is used.<sup>112</sup>

19.60 In proceedings below, the learned trial judge held that goodwill did not exist in the Singsung Get-Up as it was not proven to be distinctive of the appellant, either in Singapore or Cameroon.<sup>113</sup>

19.61 The Court of Appeal recognised that the vocabulary of goodwill and distinctiveness suffered from a “lack of precision”:<sup>114</sup>

Certain recurrent words appear to be used as if they were terms of art, but on closer inspection turn out to bear a variety of inconsistent meanings which are not always correctly distinguished. It does not help that passing-off shares some of its terminology with the law of registered trade marks, without always considering whether it is appropriate in the different context.

It was held that whilst recognising that the elements of the tort of passing off are connected and interdependent, “as a matter ... of conceptual clarity, the issue of whether a mark or get-up is *distinctive* of the plaintiff’s products or services [was] a question that [was] best dealt with in the context of the inquiry as to whether the defendant had made a misrepresentation” [emphasis in original].<sup>115</sup> The court elaborated that “distinctiveness” was best understood as a threshold inquiry:<sup>116</sup>

... Simply put, if a mark or get-up is not distinctive of the plaintiff’s products or services, the mere fact that the defendant has used something similar or even identical in marketing and selling its products or services would not amount to a misrepresentation that the defendant’s products or services are the plaintiff’s or are economically linked to the plaintiff ... [W]here the alleged representation consists of the use of the get-up, the plaintiff is required to prove that the get-up in question has become distinctive in the sense that the relevant segment of the public recognises goods with that get-up as originating from the plaintiff. If it is found that the mark or get-up *is* distinctive of the plaintiff, then the next question is whether the use of similar indicia by the defendant amounts to a misrepresentation. [emphasis in original]

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112 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [34].

113 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2015] 4 SLR 569; [2016] SGHC 106 at [133]–[137] and [218].

114 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [36], citing Christopher Wadlow, *The Law of Passing Off: Unfair Competition by Misrepresentation* (Sweet & Maxwell, 4th Ed, 2011) at para 1-029.

115 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [37].

116 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [38].



### *Instruments of deception*

19.62 In *Singsung*, the Court of Appeal had occasion to consider the “doctrine of instruments of deception” under the tort of passing off, which speaks to the particular question of whether a defendant may be adjudged liable for the tort of passing off if the goods which the defendant produces, while confusingly similar to the plaintiff’s goods, are sold to intermediate entities such as middlemen in the supply chain who are not themselves confused as to the true origin of the goods in question. The court referred to the useful summary as set out in *Wadlow on Passing Off*.<sup>117</sup>

It is passing off for a trader to put into circulation goods which are inherently likely to deceive ultimate purchasers or consumers, even though the immediate purchasers may be middlemen who are not themselves deceived and even though the middlemen may ultimately dispose of the goods in a manner which does not deceive anyone at all. The tort is complete when the defendant parts with possession of the deceptive goods, though actual damage to the claimant may not occur until late, if at all.

The court recognised that the doctrine is considered an anomaly because the tort is complete even before the occurrence of misrepresentation or damage.<sup>118</sup> The court was, in this case, dealing with inherently deceptive LS Products, not potentially deceptive goods.<sup>119</sup>

### *Supply of instruments of deception in “export” and “non-export” cases*

19.63 The court also drew a finer distinction between the case where the supply of instruments of deception to the middleman and the ultimate sale to the end user both occur in the same jurisdiction as the court before which the action is brought (that is, a non-export scenario) and a case where the supply of the instrument of deception to the middleman and that to the ultimate consumer each occur in different countries (that is, an export scenario). In the case of the former, non-export scenario, the relevant goodwill that has to be pleaded and proved is that which is possessed by the plaintiff in the court’s jurisdiction. In the case of the latter, the court recognised that the situation is not so clear-cut. On the facts of the present case, the appellant produced and supplied goods to middlemen in Singapore for

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117 Christopher Wadlow, *The Law of Passing Off: Unfair Competition by Misrepresentation* (Sweet & Maxwell, 4th Ed, 2011) at para 5-140; *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [42].

118 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [42]–[43].

119 See further, Hazel Carty, “Passing off and instruments of deception: the need for clarity” (2003) 25 EIPR 188, where the distinction between inherently and potentially deceptive good cases is discussed.

sale to consumers in other countries. The question was whether it could be said to have the requisite goodwill to found a passing off action in Singapore if all, or the bulk of sales, were to end users located in foreign markets.<sup>120</sup>

19.64 To answer this question, the court held that in order for a trader to demonstrate the requisite goodwill to found an action in passing off before a Singapore court, it needs not show that its customers are Singaporean or Singapore-based. What is required is that the customers of the plaintiff's business are within the jurisdiction of the court when the plaintiff's products or services are purchased.<sup>121</sup>

19.65 As long as a business offers a product or service for sale in Singapore (and it was not disputed that the appellant had a business presence in Singapore), and a consumer purchases the product or consumes the service here, goodwill will clearly exist in Singapore.<sup>122</sup>

19.66 On export businesses generally, Menon CJ distinguished *Starbucks (HK) Ltd v British Sky Broadcasting Group plc*<sup>123</sup> as a case concerning whether and when a *foreign* business can be said to have the requisite local goodwill, and said:<sup>124</sup>

... The question of whether a *local* business that offers products or services to customers ordinarily resident overseas has protectable goodwill in Singapore is quite a different issue. In our view, it may well be sufficient for the purposes of passing off if a business *operated from Singapore* sells its products or services from here *even if* its customers happen to be based overseas at the time of purchase (subject, of course, to the caveat that the plaintiff would nevertheless have to prove the elements of misrepresentation and damage) ... [emphasis in original]

19.67 Providing an example to illustrate this point, Menon CJ opined that the means of access to the business (physical attendance in the case of a hotel's patron as opposed to remote electronic access in the case of an online shopper) should not change the fact that both businesses have goodwill which is attracting custom to the jurisdiction, even if, in the latter case, that custom comes through cyberspace.<sup>125</sup>

19.68 The court said, in *obiter*, that where the passing off is based on instruments of deception, there may be no need for the plaintiff to prove

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120 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [46].

121 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [62].

122 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [67].

123 [2015] UKSC 31.

124 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [68].

125 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [68].

that it has customers in the jurisdiction of the court as long as it operates its business from there.<sup>126</sup> There was no need to decide these points because on the facts of the current appeal, it was clear that the foreign trade buyers physically attended the appellant's business premises in Singapore.

### *Misrepresentation and damage*

19.69 The evidence showed that the appellant developed the markets for the Singsung products and had been investing heavily on advertising since at least 2009. The court noted that the respondent copied the Singsung Products and get-up, as well as copied and mimicked the appellant's business methods down to the details (including the adoption of a Swahili phrase on its catalogue). The copying also extended to the content and layout of the appellant's warranty cards (for instance, the words "SINGSUNG Dealer" also featured in the respondent's warranty card).<sup>127</sup>

19.70 The court took cognisance of two points. First, the respondent had made no effort to advertise or market its LS Products in the export markets. Second, there was evidence that potential walk-in customers were informed that the respondent used to own the appellant.<sup>128</sup>

19.71 The Court of Appeal differed from the learned trial judge and concluded that the respondent's sales strategy was to sell its own products by deception. This was fortified by the use of identical packaging, same products, and same get-up.<sup>129</sup> Apart from the finding that the respondent intentionally copied the appellant in marketing or selling goods, thereby deliberately deceiving customers,<sup>130</sup> it was held the respondent had sought to take advantage of the appellant's efforts so as to appropriate the value that the appellant had created through its marketing activities.<sup>131</sup>

19.72 The court was also prepared to find that the Singsung Get-Up was distinctive. Customers were attracted to this get-up for the particular source that lay behind it. A likelihood of confusion was, thus, established.<sup>132</sup>

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126 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [60]–[61] and [68].

127 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [76]–[77].

128 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [79].

129 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [81].

130 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [48].

131 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [84].

132 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [86].

19.73 In terms of damage, under the doctrine of instruments of deception, the supply of the goods (that is, the instruments of deception here) was in itself sufficient to establish the element of damage, and separate proof of real or potential damage was not necessary.<sup>133</sup>

19.74 In allowing the appellant's claim for passing off, it was also apparent from the judgment that the defendant's intention to commit a misrepresentation or pass off its goods as those of the plaintiff can be highly probative in establishing liability for passing off. The court held:<sup>134</sup>

[D]eliberate copying and evidence of an intention to misrepresent or deceive consumers [would] together be strong *prima facie* evidence of both the distinctiveness of the indicia that [had] been copied and also the fact of misrepresentation and the likelihood of confusion.

19.75 As a matter of pleading practice, the court also stressed that in cases concerning the export of goods which are alleged to be inherently deceptive, what must be pleaded and proved is that the goods "bear indicia sufficiently close to those distinctive of the claimant for deception to take place when those goods reach the market".<sup>135</sup> On the pleadings, the plaintiff would have to show that the indicium used by the defendant would have to be distinct from the plaintiff's in *that relevant market*.

## Patents

### *Amendments*

19.76 In *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd*<sup>136</sup> ("Warner-Lambert"), the High Court considered and dismissed an application to amend a patent under s 83(1) of the Patents Act.<sup>137</sup>

Section 83(1) of the Patents Act provides:

In any proceedings before the court or the Registrar in which the validity of a patent is put in issue, the court or, as the case may be, the Registrar may, subject to section 84, allow the proprietor of the patent to amend the specification of the patent in such manner, and subject to such terms as to the publication and advertisement of the proposed

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133 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [87].

134 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [48].

135 *Singsung Pte Ltd v LG 26 Electronics Pte Ltd* [2016] 4 SLR 86 at [47].

136 [2016] 4 SLR 252.

137 Cap 221, 2005 Rev Ed.

amendment and as to costs, expenses or otherwise, as the court or Registrar thinks fit.

The court's power to amend is circumscribed by s 84(3) of the Patents Act, which provides:

No amendments of the specification of a patent shall be allowed under section 38(1), 81 or 83 if it –

- (a) results in the specification disclosing any additional matter; or
- (b) extends the protection conferred by the patent.

19.77 In addition, any amendments must satisfy the “base-line criteria” set out in s 25(5) of the Patents Act, which provides, *inter alia*, that the claims are to be clear and concise.<sup>138</sup> The court also has a general discretion to allow or disallow the proposed amendments and the exercise of this discretion is guided by the factors outlined in *Smith Kline & French Laboratories v Evans Medical Ltd*.<sup>139</sup>

19.78 The patent in suit concerned a pharmaceutical patent which claimed, *inter alia*, a certain monopoly over the treatment of pain involving the administration of pregabalin. The proposed amendment comprised a change from an unpatentable method of treatment claim to a “Swiss-style claim”. This entailed the following generalised form: “the use of compound X in the manufacture of a medicament for a specified (and new) therapeutic use Y”.

19.79 The plaintiff commenced patent infringement proceedings under s 12A(3) of the Medicines Act<sup>140</sup> and was constrained to do so before the expiry of 45 days from receiving notification from the defendant. In view of this timing constraint, the application to amend the patent was, therefore, made after the commencement of legal action.

19.80 Wei J considered three issues:<sup>141</sup>

- ... (a) whether the validity of the amended patent should be considered before the court grants leave to amend the patent;
- (b) whether the proposed amendments resulted in the specification disclosing additional matter or extend[ed] the protection conferred by the patent; and
- (c) whether the court should exercise its discretion to allow the proposed amendments.

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138 See *Trek Technology (Singapore Pte Ltd v FE Global Electronics Pte Ltd* [2005] 3 SLR(R) 389 at [52].

139 [1989] FSR 561 at 569.

140 Cap 176, 1985 Rev Ed.

141 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2016] 4 SLR 252.

*The first issue – Validity*

19.81 In addressing the first issue, Wei J held that it was inappropriate for issues of validity to be heard together with the hearing to amend the patent. The court agreed with Lee Seiu Kin J in *Ship's Equipment Centre Bremen GmbH v Fuji Trading (Singapore) Pte Ltd*<sup>142</sup> (“*Ship's Equipment*”) where he held that such an approach puts the proverbial cart before the horse and should not be accepted. Even if, as opined by the learned authors of *Terrell on the Law of Patents*,<sup>143</sup> the court may refuse an amendment where the amendment patent will still be clearly invalid, the court was of the view that it was not the case here.<sup>144</sup>

19.82 The court also rejected the defendant's contention that as long as it had included objections to the validity of the patent in its notice of opposition, it was entitled to be heard on the issue of validity. Although the court may have regard to the grounds raised in the notice of opposition in determining whether an amendment should be granted, it does not necessarily follow that the court has to make a conclusive determination on *all* matters raised in the notice of opposition, including those that are legally irrelevant.<sup>145</sup> For instance, it has been held that it is not permissible when amending a patent by deleting claims to allege that the remaining unamended claims should never have been granted.<sup>146</sup>

*The second issue – Section 84(3) of the Patents Act*

19.83 The second issue concerned whether the proposed amendments disclosed additional matter under s 84(3)(a) of the Patents Act. The court first considered whether a shift from “a method for treating pain comprising administering a therapeutically effective amount of a compound of Formula I” (method of treatment claim) to “the use of a compound of Formula I in the manufacture of a medicament for treating pain” (Swiss-style claim) created or disclosed any “added matter”.

19.84 In reaching the conclusion, the court held that the overall test to be applied was whether the skilled addressee would learn from the amended specification anything about the invention which he could not learn from the unamended specification. The test was formulated by

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142 [2015] 4 SLR 781 at [19].

143 Richard Miller QC, Guy Burkill QC, Colin Birss & Douglas Campbell, *Terrell on the Law of Patents* (Sweet & Maxwell, 17th Ed, 2010) at para 15–44.

144 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2016] 4 SLR 252 at [18]–[19].

145 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2016] 4 SLR 252 at [22].

146 See *Chiron Corp v Organon Teknika Ltd (No 11)* [1995] FSR 589.

Aldous J in *Bonzel v Intervention Ltd (No 3)*<sup>147</sup> (*viz*, *Bonzel* formulation). The task of the court is threefold:

- (1) To ascertain through the eyes of the skilled addressee what is disclosed, both explicitly and implicitly in the application.
- (2) To do the same in respect of the patent [as proposed to be amended].
- (3) To compare the two disclosures and decide whether any subject matter relevant to the invention has been added whether by deletion or addition. The comparison is strict in the sense that subject matter will be added unless such matter is clearly and unambiguously disclosed in the application either explicitly or implicitly.

19.85 This test was endorsed by the Court of Appeal of Singapore in *FE Global Electronics Pte Ltd v Trek Technology (Singapore) Pte Ltd*.<sup>148</sup>

19.86 The court held that the therapeutically effective amount of the disclosed compound is *the medicament* in the language of Swiss-style claims. Bearing that in mind and also the fact that the skilled addressee would appreciate that the Swiss-style claim owed its expression to the manner in which patent law had evolved to protect second medical indications, amending the existing claims to reflect “the use of a compound of Formula I in the manufacture of a medicament” did not add any technical aspect to the invention that was protected by the patent. The court was persuaded by Floyd LJ in *Warner-Lambert Co LLC v Actavis Group PTC EHF*,<sup>149</sup> where his Honour stated that “the skilled person would understand that it [was] necessary for the (Swiss-style) claim to include a manufacturing step to ensure that the claim [did] not touch the doctor, and fall afoul of the method of treatment exclusion.” Accordingly, the learned judge took the view that the proposed amendments did not fall within the preclusion set out in s 84(3)(a) of the Patents Act.

19.87 The court went on to consider the defendant’s further ground of objection that the proposed amendments extended the protection conferred by the patent under s 84(3)(b). Wei J held that the manufacture of the medicament was not an activity that fell within the ambit of the patent as originally granted. Accordingly, the proposed amendments would have the effect of extending the protection conferred by the patent and should not be allowed.<sup>150</sup>

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147 [1991] RPC 553 at 574.

148 [2006] 1 SLR(R) 874 at [24]; see also *Novartis AG v Ranbaxy (Malaysia) Sdn Bhd* [2013] 2 SLR 117 at [8].

149 [2015] RPC 25 at [119].

150 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2016] 4 SLR 252 at [78].

19.88 In its analysis, the court stated that the question mandated by s 84(3)(b) of the Patents Act was whether the amendment extended the protection conferred by the patent. This could only be determined by examining the scope of the invention for which the patent was granted. The focus was on the subject matter of the granted patent, which was delineated by the claim as per s 113 of the Patents Act. A purposive approach to interpretation was to be adopted. Where, on a non-literal interpretation of the original claims, it was clear that the intended meaning was in fact the meaning set out in the amended claim, then it could not be said the scope of protection was extended.

19.89 Although the claims referred to a medicament (in terms of a therapeutically effective amount of a disclosed compound), they were directed to the method of treatment, *viz*, the administration of the compound. The court was of the view that the amended claims, which essentially claimed a method of manufacture, represented a shift away from the method of treatment. Whilst broadly connected by the same final objective (of treating pain), the granted claims and the amended claims were targeted at different activities – the latter covered the making of the compound for the purposes of administration (to treat pain) whereas the former covered only the follow-on act of administration to treat pain. Thus, Wei J was unable to see how, on a purposive basis, the claims were in fact intended to cover the use of the disclosed compound to manufacture a medicament (as opposed to its administration in treatment). The court explained that since the plaintiff, in the patent as granted, had chosen to stake its claim on the administration of the compound for treating pain, and not the preceding manufacturing process that produced the compound for that use, it should not be permitted to extend the protection conferred by the patent by bringing into its ambit the “step of manufacturing the medicament”<sup>151</sup>

19.90 Wei J noted two English decisions, *Warner-Lambert Co LLC v Actavis Group PTC EHF*<sup>152</sup> (“*Warner-Lambert CA*”) and the High Court’s decision on the same case.<sup>153</sup> In *Warner-Lambert CA*, the patent concerned the same medicament as featured in the present dispute and the English Court of Appeal dealt with a question of construction of a patent in “Swiss” form, that is, a claim to use of a compound in the production of a medicine for use in a particular therapeutic indication. The English Court of Appeal in *Warner-Lambert CA* affirmed that Swiss claims are a form of process claim. The main issue was what amounted to infringement of a patent with a Swiss-form claim.

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151 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2016] 4 SLR 252 at [83].

152 [2015] EWCA Civ 556.

153 *Warner-Lambert Co LLC v Actavis Group PTC EHF* [2015] EWHC 2548 (Pat).



19.91 In *Warner-Lambert CA*, Floyd LJ stated that primary infringement turned on construing the claim said to be infringed: what would the skilled reader of the patent understand the patentee to be using the language of the claim to mean?<sup>154</sup> The difficult issue was whether any mental element was required for an act to fall within use of the compound to produce a medicine *for* a new therapeutic use. It was found that the technical subject matter of the claim was the making of pregabalin for patients to whom it would be intentionally administered for treating pain and yet fell short of including the step of actually using pregabalin for treating pain.<sup>155</sup> This was the technical contribution of the patentee. That being so, the skilled reader would understand the claim as involving a *link* between the act of the manufacturer and the ultimate intentional use of the drug by the end-user to treat pain. The difficult question to determine concerned the required link built into the scope of the invention protected by the “Swiss-style” claim. After considering various interpretations, Floyd LJ concluded that “there was no reason why the skilled reader would conclude that the word ‘for’ implied ‘subjective intent’”.<sup>156</sup> Instead, the skilled reader would understand that the manufacturer “who knows (and for this purpose constructive knowledge is enough) or could reasonably foresee that some of his drug will intentionally be used for treating pain, is making use of the patentee’s inventive contribution”.<sup>157</sup>

19.92 Following the decision of the English Court of Appeal, the matter returned to the English High Court, *inter alia*, on the question as to whether there was infringement. As *Warner-Lambert CA* was an interlocutory appeal, Arnold J in the High Court considered whether the decision on interpretation of Swiss claims was binding. Arnold J pointed out that the Court of Appeal, in reaching its conclusion, commented on the fact that simply manufacturing pregabalin for patients to whom it was to be administered for non-patented indications was not within the technical subject matter of the claim.<sup>158</sup>

19.93 As a result, Arnold J held that the correct interpretation of Floyd LJ’s decision was that the act of intentional administration lay at the heart of the claimed invention. Thus, the question remained as to whose intention was relevant: the prescribing doctor; the dispensing pharmacies; the patient; or some combination? The right answer was by

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154 *Warner-Lambert Co LLC v Actavis Group PTC EHF* [2015] EWCA Civ 556 at [113].

155 *Warner-Lambert Co LLC v Actavis Group PTC EHF* [2015] EWCA Civ 556 at [118].

156 *Warner-Lambert Co LLC v Actavis Group PTC EHF* [2015] EWCA Civ 556 at [127].

157 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2016] 4 SLR 252 at [86].

158 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2016] 4 SLR 252 at [87].

no means obvious and Arnold J preferred the view that it was the intention of the doctor to specifically prescribe generic pregabalin that was most relevant (although the intention of the pharmacist might also come into play). The relevant date for establishing the intention was the date of manufacture. On the facts, Arnold J concluded that it was not foreseeable to Actavis Group PTC EHF that its generic product would be intentionally administered for the treatment of pain save in a small number of exceptional cases, by medical professionals, that were proper to regard as *de minimis*.<sup>159</sup>

19.94 Wei J observed that the *Warner-Lambert* litigation in the English courts illustrates the problems and difficulties that arise with interpreting Swiss-style claims. In particular, the nexus between the manufacture and the intentional administration for treatment has proven tricky. It is essential to the determination as to what is the technical contribution (or subject matter) that falls within the scope of the claim and protected by registration. Nevertheless, the court was of the view that it is clear that the subject matter of a Swiss-style claim is different from a claim that is directed towards a method of treatment by administering the compound. In other words, the technical subject matter and contribution over which protection is claimed are ostensibly different.<sup>160</sup>

19.95 The court also observed in passing that in determining whether the scope of the patent has been extended, one is *not* entitled to take into account secondary or indirect infringement. The court opined that it will not be appropriate to take into account acts that can amount to secondary infringement when ascertaining whether the protection conferred by the patent has been extended by the proposed amendments. The inquiry entails a comparison of *the scope of protection* conferred by the claims in the patent *before* and *after* amendment.<sup>161</sup>

*The third issue – Whether the court should exercise its discretion to allow the proposed amendments*

19.96 The court restated that it has a general power to allow or refuse amendments provided that they are permitted under the Patents Act, and that no circumstances arise which will lead a court to refuse them.

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159 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2016] 4 SLR 252 at [88].

160 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2016] 4 SLR 252 at [89].

161 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2016] 4 SLR 252 at [90]–[92].

The rationale of the discretion to refuse an application to amend was summarised in *Ship's Equipment*:<sup>162</sup>

[I]t is important to bear in mind the underlying rationale of the discretion to refuse an application to amend. This is well explained by Aldous LJ in *Kimberly-Clark Worldwide Inc v Procter & Gamble Limited* [2000] FSR 235 at 248 as the 'desire to protect the public against abuse of monopoly' Pumfrey J in *Instance* at [37] described it as a 'desire to Ensure that patentees do not obtain an advantage which is unfair from their failure to amend' and went further to consider that it may be 'to punish patentees for the unreasonableness of their conduct even when no advantage has in fact been gained'.

19.97 The defendants had argued that the proposed amendments to the patent should be barred by reason of: "(a) an unreasonable delay on the part of the plaintiff in taking out [the present] application; and (b) the unfair advantage that the plaintiff [was] seeking by way of this application".<sup>163</sup>

19.98 In assessing whether the court should exercise its discretion, the defendant submitted that the proposed amendments were barred by reason of an unreasonable delay on the part of the plaintiff in taking out this application. The court accepted the defendant's submissions and exercised its discretion to reject the proposed amendments on the basis that there had been undue and unreasonable delay on the part of the plaintiff in taking out the amendment application.

19.99 Wei J was of the view that the plaintiff had ample opportunity to amend its patent pre-grant and post-grant, and its inaction had not been adequately explained save for a denial that there was legal advice alerting it to the need to amend. Its assertion that it had no occasion to seek advice on the enforcement, strength, and validity of the patent did not advance its case at all. The court was persuaded by the case of *CSL Ltd v Novo Nordisk Pharmaceuticals Pty Ltd (No 2)*<sup>164</sup> ("*CSL Ltd*") in which it was stated that the patentee, as the person who has access to all the relevant information, shall not wait until a challenge is made by a third party in whatever form of proceedings may be appropriate in a particular jurisdiction.<sup>165</sup>

19.100 The court held that by successfully registering a patent, the patentee is representing to the public that he has a valid claim. Where he

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162 *Ship's Equipment Centre Bremen GmbH v Fuji Trading (Singapore) Pte Ltd* [2015] 4 SLR 781 at [133].

163 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2016] 4 SLR 252 at [96].

164 [2010] FCA 1251 at [80].

165 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2016] 4 SLR 252 at [105]–[107].

has reason to suspect that his claim cannot be supported, the law must encourage and incentivise sensible behaviour on his part by requiring him to act with reasonable despatch and diligence in identifying, and thereafter curing the invalidity.

19.101 Bearing in mind that the patent at hand was sought and granted at a time when a self-assessment system was in place in Singapore where the responsibility was on the plaintiff to have regard to the validity of the patent before grant, the court was of the view that there were sufficient facts to put the plaintiff on notice as to the possible defect in its patent such that it was obliged to, at least, seek legal advice on the matter. The plaintiff was a well-established pharmaceutical company that conceivably owned a good number of patents similar to the one at the heart of this dispute. It must have appreciated that preclusion of method of treatment claims in other jurisdictions was likely to extend to the patent in suit. As such, as stated in *CSL Ltd*,<sup>166</sup> the circumstances behoved the plaintiff to seek out appropriate legal advice in relation to its patents for their compliance with patentability requirements but it did not do so.<sup>167</sup>

19.102 The defendant submitted that the plaintiff commenced proceedings despite knowing that the patent had to be amended to address its validity. Hence, the plaintiff was seeking to obtain an unfair advantage at the defendant's expense. The court was satisfied that the plaintiff was not seeking an unfair advantage by commencing infringement proceedings against the defendant before applying to amend its patent.

19.103 On the present facts, Wei J recognised that the plaintiff had to commence the proceedings before the expiry of the 45 days stipulated in s 12A(3) of the Medicines Act, and could not have afforded to await the grant of leave to amend the patent before commencing infringement proceedings. Following the commencement of the proceedings on 21 April 2015, the plaintiff applied to amend the patent in less than two weeks. Thus, given that the plaintiff had acted swiftly to cure the invalidity, it could not be said that it was attempting to secure an unfair advantage at the defendant's expense.<sup>168</sup>

19.104 The court was also not prepared to accept the defendant's argument that the plaintiff was attempting to seek an unfair advantage by attempting to validate an invalid claim. The court was in agreement

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166 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2016] 4 SLR 252 at [105].

167 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2016] 4 SLR 252 at [109]–[110].

168 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2016] 4 SLR 252 at [119].

with Lee J's decision in *Novartis AG v Ranbaxy (Malaysia) Sdn Bhd*<sup>169</sup> that an objection that the plaintiff's application was made to avoid invalidation was neither here nor there because this in and of itself was not an objection which was sustainable on the principles of law relating to the amendment of patent specifications. The court opined that it is no answer to an amendment application to argue that the amendment, if granted, will cure an invalid claim and result in an extension of patent protection since the original invalid claim conferred no protection in the first place. The court found no merit in the contention that the plaintiff was attempting to obtain an unfair advantage by seeking the proposed amendments.<sup>170</sup>

19.105 Even though the court found no merit in the contention that the plaintiff was attempting to obtain an unfair advantage by seeking the proposed amendment, it was persuaded to disallow the application to amend on the basis that the plaintiff's conduct was, nevertheless, unreasonable given the lengthy delay in making the application.

### **Quantum of damages**

19.106 *Main-Line Corporate Holdings Ltd v United Overseas Bank Ltd*<sup>171</sup> was a decision of the High Court ruling on the quantum of damages that should be awarded to Main-Line Corporation ("Main-Line") in respect of its earlier success in patent litigation against United Overseas Bank Ltd ("UOB") and First Currency Choice Pte Ltd ("FCC").

19.107 The decision came at the tail-end of a 12-year saga and numerous applications, trials and appeals.<sup>172</sup> The court had earlier found UOB and FCC liable for having infringed Singapore Patent No 86037 (W/O 01/04846), titled "Dynamic Currency Conversion for Card Payment Systems" ("Patent"). The Patent covered a method and system of determining the operating currency of a payment card at the point of sale ("POS") between the merchant and the cardholder, converting the value of a card transaction from the currency of the country where the POS system was located to the currency of the card's country of issue and presented both values at the POS to the cardholder for his selection of the currency he wished to pay in. It, thus, provided an accurate means

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169 [2013] 2 SLR 117, *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2016] 4 SLR 252 at [55].

170 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2016] 4 SLR 252 at [120]–[121].

171 [2017] 3 SLR 901.

172 See *Main-Line Corporate Holdings Ltd v United Overseas Bank Ltd* [2007] 1 SLR(R) 1021; *First Currency Choice Pte Ltd v Main-Line Corporate Holdings Ltd* [2008] 1 SLR(R) 335.

of automatically determining the preferred currency for a card transaction between a local merchant and a foreign cardholder. This was in contrast to the common technology where the foreign cardholder had to choose his preferred currency manually at the POS terminal, which accordingly carried the potential of operator error.

19.108 After liability for patent infringement had been established, Main-Line had sought, in earlier proceedings, extensive discovery against UOB prior to making its election of remedies (account of profits or damages) against the defendants. After obtaining this discovery, Main-Line sought interim payments from UOB to the sum of S\$3,135,236.40, claiming that this sum represented the minimum amount that UOB would be liable to pay Main-Line after the assessment hearing. The hearing registrar awarded interim payments of S\$1,962,424.30 against UOB. This was set aside on appeal to the High Court and, subsequently, reinstated by the Court of Appeal on further appeal.<sup>173</sup> The Court of Appeal took the view that this sum would be the minimum sum payable by UOB, and made the award.

19.109 Going into this hearing, UOB had already made an interim payment (stated above) in favour of Main-Line. Main-Line had sought an account of profits award against UOB and a damages award against FCC. This election of different remedies between separate defendants was upheld by the High Court,<sup>174</sup> and the decision was affirmed by the Court of Appeal.

19.110 Tay Yong Kwang JA considered the flow of payments and percentages occurring in the course of card acquisitions, payments, and conversion.<sup>175</sup> In an action for patent infringement, the court may grant an account of profits to the plaintiff under s 67(1)(d) of the Patents Act. Referring to *Bosch Corp v Wiedson International (S) Pte Ltd*,<sup>176</sup> Tay JA noted that “[i]ts purpose is not to punish the defendant but to treat the defendant as having carried on his business on behalf of the plaintiff, such that the plaintiff is entitled to the profits that have been earned by the use of his invention.”<sup>177</sup>

19.111 In its pursuit of the account of profits claim against UOB, Main-Line sought a 3% uplift against UOB. This was the additional fee that was charged to a cardholder when his card was used overseas.

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173 See *Main-Line Corporate Holdings Ltd v United Overseas Bank* [2010] 2 SLR 986.

174 *Main-Line Corporate Holdings Ltd v United Overseas Bank Ltd* [2010] 1 SLR 189.

175 *Main-Line Corporate Holdings Ltd v United Overseas Bank Ltd* [2017] 3 SLR 901 at [15]–[23].

176 [2015] 3 SLR 961 at [10].

177 *Main-Line Corporate Holdings Ltd v United Overseas Bank Ltd* [2017] 3 SLR 901 at [32].

Main-Line argued that there was a relocation of payment from the issuer bank to the acquirer bank, culminating in this claim that should be made against the bank.

19.112 The High Court disallowed Main-Line's claim for the 3% uplift that it claimed against UOB.<sup>178</sup> Tay JA was satisfied that the flow of settlement proceeds in foreign currency from UOB and the flow of the original transaction value in Singapore currency from FCC to UOB were established. The arbitrage opportunity that arose from the trading of the settlement proceeds belonged to FCC. There was a further dispute on whether UOB was entitled to deduct costs and expenses incurred in setting up the FCC system from its profits. The court followed the Court of Appeal's approach (on interim payments), and determined that UOB's profits from FCC's commissions were to be derived by applying UOB's expense/income ratios (ranging between 34.7% and 41.4% of income) to the sum of S\$3,157,847.09 (that is, the total quantum of commissions received from FCC). The profits from FCC's commissions were S\$1,962,424.30, which had already been paid to Main-Line by way of interim payment.<sup>179</sup>

19.113 Main-Line also sought for accounting of profits against UOB's profits that were derived from new merchants or existing merchants who would have left UOB but for the offering of the FCC system. The court disallowed this claim on the basis that the plaintiff had neither produced evidence to suggest that merchants were acquired or retained as a result of the FCC system nor established a causal link between the patent infringement and the merchant discount rate earned.<sup>180</sup>

19.114 From its findings, the court determined that UOB's only profit from the infringement of the Patent was its commissions from FCC under the multi-currency exchange agreement, subject to the application of expense/income ratios. This amounted to S\$1,962,424.30, which UOB had already paid as an interim payment.

19.115 Main-Line also elected a claim of damages against FCC. The court reaffirmed the principles based on foreseeable loss and causation, set out in *Gerber Garment Technology Inc v Lectra Systems Ltd*,<sup>181</sup> and the

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178 *Main-Line Corporate Holdings Ltd v United Overseas Bank Ltd* [2017] 3 SLR 901 at [43]–[52].

179 *Main-Line Corporate Holdings Ltd v United Overseas Bank Ltd* [2017] 3 SLR 901 at [57].

180 *Main-Line Corporate Holdings Ltd v United Overseas Bank Ltd* [2017] 3 SLR 901 at [58]–[61].

181 [1997] RPC 443 at 452.

words of Lord Wilberforce in *General Tire & Rubber Co v Firestone Tyre & Rubber Co Ltd*:<sup>182</sup>

There are two essential principles in valuing that claim: first, that the plaintiffs have the burden of proving their loss; second, that, the defendants being wrongdoers, damages should be liberally assessed but that the object is to compensate the plaintiff, and not punish the defendants.

19.116 The following principles summarise the High Court's approach to awarding damages for patent infringement:<sup>183</sup>

[I]n patent infringement cases ... [i]n general, patentees usually derive remuneration from their inventions either by manufacturing articles or products which they sell at a profit or by permitting others to use their inventions under licence in exchange for royalty payments. In the former situation, the measure of damages would normally be lost profits on sales which the patentee would otherwise have made, or lost profit on the patentee's own sales to the extent that he was forced by the infringement to reduce his own price. In the latter situation, the measure of damages [would] likely be what the patentee would have charged the defendant for a licence based on the 'accepted royalty rate'. In this situation, it has to] be shown that the circumstances under which the going rate was paid are the same or at least comparable with the present situation in which the patentee and infringer are assumed to strike their bargain.

[T]here may be situations where the patentee cannot show a normal or established licence royalty or a rate of profit as a manufacturer, in which case the plaintiff would have to adduce admittedly general or hypothetical evidence in the form of expert opinion or practice in the trade, to support a finding of a reasonable royalty ...

19.117 In this case, Main-Line submitted that its situation was more similar to a patentee who exploited the patent as a manufacturer and sold the patented articles for profits, rather than a patentee who licensed the patent for profit. Further, it submitted that there was a substantial chance that it would have entered into a contract with UOB as a dynamic currency conversion service provider and that FCC's actions caused the loss of this contract. The issue that arose for determination was whether the loss of profits from this potential contact should be assessed from the perspective of Main-Line's negotiations with UOB for a 1.8% share of the net turnover to accrue to it, or by allowing Main-Line to step into FCC's shoes in the multi-currency exchange agreement and obtain the 3% uplift. In its submissions, the plaintiff

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182 [1975] 1 WLR 819 at 824–825; see also *General Tire & Rubber Co v Firestone Tyre & Rubber Co Ltd* [1975] 1 WLR 819 at 824.

183 *Main-Line Corporate Holdings Ltd v United Overseas Bank Ltd* [2017] 3 SLR 901 at [64].



argued for the latter approach to be taken.<sup>184</sup> On this analysis, Main-Line argued that it was entitled to damages equivalent to the value of the 3% uplift, which was S\$18,810,000. In the alternative, Main-Line submitted that the court could also assess damages “on the basis of reasonable royalty”. The court would, in this exercise, have to proceed on the basis of a hypothetical negotiation for a licence between Main-Line and FCC. Main-Line submitted a notional royalty rate of 2%–2.5%.<sup>185</sup> In reply, FCC argued that Main-Line had failed to prove that there was “a substantial chance rather than a speculative one” that it would have entered into a contract with UOB. On a hypothetical licence basis, FCC argued that the hypothetical licence fee would have been nominal.<sup>186</sup>

19.118 The court accepted the plaintiff’s argument that Main-Line’s position in relation to FCC was closer to the situation of a plaintiff who exploited a patent as a manufacturer and sold the patented articles for profits, rather than a patentee who licensed the patent for profit. It proceeded on the basis that the damages should be measured using the multi-currency exchange agreement (“MEA”) as the starting point (it was the least speculative basis). It was not unreasonable to proceed on the basis that FCC’s revenue stream under the multi-currency exchange agreement could have been Main-Line’s but for FCC’s patent infringement.<sup>187</sup> However, Tay JA held that the plaintiff was “not entitled to damages equivalent to the *entire quantum* of FCC’s revenue stream under the MEA” [emphasis in original];<sup>188</sup> it had to take into account Main-Line’s potential costs and expenses.<sup>189</sup> Having found that the arbitrage opportunity crystallised in the hands of FCC and so did part of FCC’s revenue, this was, according to Main-Line, not less than the commission given to UOB, which was S\$3,157,847. Taking these commissions into account, the court awarded damages of S\$4,795,000 to be payable by FCC to Main-Line.

19.119 Furthermore, Tay JA explained:<sup>190</sup> “[t]his method of quantifying the damages may have its limitations but in the circumstances, it is the

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184 *Main-Line Corporate Holdings Ltd v United Overseas Bank Ltd* [2017] 3 SLR 901 at [67]–[68].

185 *Main-Line Corporate Holdings Ltd v United Overseas Bank Ltd* [2017] 3 SLR 901 at [69].

186 *Main-Line Corporate Holdings Ltd v United Overseas Bank Ltd* [2017] 3 SLR 901 at [71].

187 *Main-Line Corporate Holdings Ltd v United Overseas Bank Ltd* [2017] 3 SLR 901 at [74].

188 *Main-Line Corporate Holdings Ltd v United Overseas Bank Ltd* [2017] 3 SLR 901 at [74].

189 *Main-Line Corporate Holdings Ltd v United Overseas Bank Ltd* [2017] 3 SLR 901 at [74]–[77].

190 *Main-Line Corporate Holdings Ltd v United Overseas Bank Ltd* [2017] 3 SLR 901 at [78].

most fact-based method as opposed to the alternative approach of assessing damages ‘on the basis of reasonable royalty’ put forth by the parties.”

19.120 The plaintiff also submitted that it was entitled to exemplary damages, with some variance recognised by the court between the initial claim of S\$34.5m and a multiplier of 1.5 to be applied to the sum of damages awarded at the end of proceedings. A preliminary question arose as to whether the court has the power to award exemplary damages for patent infringement in Singapore in light of the provisions of the Patents Act. The plaintiff submitted, on the authority of *Cordlife Group Ltd v Cryoviva Singapore Pte Ltd*<sup>191</sup> (“*Cordlife Group*”), that there is no general bar against an award of exemplary damages in Singapore. Comparing the copyright and the patents regimes, the court held that:<sup>192</sup>

It is doubtful that the AR’s observation can apply across all statutory intellectual property rights. In *Cordlife Group*, the action was for infringement of copyright and passing off. The availability of exemplary damages at common law in patent infringement cases was not specifically considered.

19.121 It is highly doubtful as to whether exemplary damages are as a matter of law available for patent infringement cases. In an alternative analysis, and for completeness, the court held that even if exemplary damages were within the court’s discretion for patent infringement, the learned judge was of the view that the claim would not have succeeded, because on the facts, the plaintiff had not established wrongful and calculated conduct on the part of the defendants.<sup>193</sup>

## Trade marks

### *Own name defence*

19.122 In *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd*,<sup>194</sup> the Court of Appeal considered for the first time the scope and applicability of the own name defence under s 28(1)(a) of the Trade Marks Act<sup>195</sup> (“TMA”) for trade mark infringement and the tort of passing off. The appellant sued the respondent for trade mark infringement under s 27(2)(b) of the TMA and for passing off. The

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191 [2016] SGHCR 5.

192 *Main-Line Corporate Holdings Ltd v United Overseas Bank Ltd* [2017] 3 SLR 901 at [89].

193 *Main-Line Corporate Holdings Ltd v United Overseas Bank Ltd* [2017] 3 SLR 901 at [92].

194 [2016] 3 SLR 517.

195 Cap 332, 2005 Rev Ed.

respondent relied on the own name defence under s 28(1)(a) of the TMA.

19.123 The appellant in this case was Audience Motivation Company Asia Pte Ltd, the registered proprietor of “the AMC Asia Mark” in classes 35, 41 and 42. The said mark was registered on 31 August 2012. The services related to advertising, event management services, and the design of brand names. The AMC Asia Mark comprised the characters “amc!asia”.

19.124 The respondent was AMC Group China (S) Pte Ltd, and was engaged in the business of providing event and concert management services in China, Singapore, Taiwan, Malaysia, and Hong Kong. It applied to register the “AMC Group Mark” in classes 35 and 41 in February 2012. The appellant objected and this application was stayed. The respondent changed its name to “AMC Live Group China (S) Pte Ltd” in November 2013. It began using another mark, the “AMC Live Mark”. It applied to register “AMC Live Mark” as a trade mark in July 2013.

19.125 The High Court found that the AMC Asia Mark had *prima facie* been infringed by the respondent’s marks under s 27(2)(b) of the TMA but found that the respondent could rely on the own name defence to trade mark infringement under s 28(1)(a) of the TMA.<sup>196</sup> Hence, the court dismissed the appellant’s trade mark infringement claim. The appellant was also found not to have established that it had acquired goodwill in the AMC Asia Mark, and its passing off action was also dismissed. The appellant appealed this decision.

19.126 The Court of Appeal, comprising Menon CJ, Chao Hick Tin and Andrew Phang Boon Leong JJA, unanimously allowed the appeal. It held that the AMC Asia Mark had been infringed.<sup>197</sup> It also found that the respondent could not rely on the own name defence under s 28(1)(a) of the TMA.

#### *Own name defence under s 28(1)(a) of the TMA*

19.127 Section 28(1)(a) of the TMA provides that:

**28.—(1)** Notwithstanding section 27, a person does not infringe a registered trade mark when —

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196 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2015] 3 SLR 321.

197 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2015] 3 SLR 321 at [18]–[22].

- (a) he uses —
- (i) his name or the name of his place of business; or
  - (ii) the name of his predecessor in business or the name of his predecessor's place of business;

...

and *such use is in accordance with honest practices in industrial or commercial matters.* [emphasis added]

19.128 In ascertaining the scope of this provision, often called the “honest practices” proviso, it is prudent to consider the position in other jurisdictions. The most widely adopted summary of the own name defence is that of Romer J in the English High Court in *Joseph Rodgers & Sons Ltd v W N Rodgers & Co*:<sup>198</sup>

... It is the law of this land that no man is entitled to carry on his business in such a way as to represent that it is the business of another, or is in any way connected with the business of another; that is the first proposition. The second proposition is, that no man is entitled so to describe or mark his goods as to represent that the goods are the goods of another. *To the first proposition there is ... an exception: a man ... is entitled to carry on his business in his own name so long as he does not do anything more than that to cause confusion with the business of another, and so long as he does it honestly.* ... To the second rule ... there is no exception at all; that is; that a man is not entitled so to describe his goods as to lead to the belief that they are the goods of somebody else ... [emphasis by the Court of Appeal in *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd*]

19.129 The generality of s 28(1) permits an expansive interpretation such that it can be regarded as encompassing a wide range of uses of one's own name, including its use as a trade mark. The Court of Appeal<sup>199</sup> cited with approval the Singapore High Court's reference to the decision of *Reed Executive plc v Reed Business Information Ltd*<sup>200</sup> (“*Reed*”) where Jacob LJ held:

[I]t would make no sense to exclude trade mark use from the own name defence. For when a man uses his name in connection with his goods or services he *is* using it as a trademark – to tell you ‘This comes from me – John Doe’. Sometimes people think that use of a name on goods or for services is not use as a trade mark. They contrast use as a trade mark with use ‘just as a name’. But use of a name in connection with goods or services, even in small print, *is* trade mark use, though

198 (1924) 41 RPC 277 at 291–292.

199 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [29].

200 [2004] RPC 40 at [125].

not of the upfront in-your-face kind the subject of vast advertising spend. [emphasis in original]

19.130 The Court of Appeal confined the own name defence to the use of one's own name as a trade mark. The defence is available only in so far as one seeks to justify the use of one's own name in the trade mark and nothing more. The real question is whether the use of the name by the defendant has been combined with other similarities so as to contribute appreciably to the likelihood of confusion beyond that which arises by reason only of the similarity of the name. An analysis of this question will invoke consideration of the "honest practices" proviso.<sup>201</sup>

19.131 The court went on to consider the applicability of the own name defence to the use of a corporate name. Menon CJ, in delivering the judgment, cited with approval Jacob LJ in *Reed*:<sup>202</sup>

ii) It would be very strange if no company could avail itself of the defence. Think, for instance, of a company formed to take over a business established under an individual's name and having his name. It would be outrageous if the defence were lost upon incorporation.

iii) Any fear that dishonest people might form companies with misleading names so as to take advantage of the defence is easily removed by the use of the [honest practices] proviso – such a deliberate attempt to avail oneself of another's mark would not be an honest practice.

19.132 Menon CJ was satisfied that the defence is in principle available to a company in relation to the use of its own name, subject to the court being satisfied that such use is within the ambit of honest practices. If there is any concern with the potential for abuse, this will have to be policed by a diligent application of the honest practices proviso.<sup>203</sup>

19.133 The question remains as to whether the own name defence pertains to the use of a company's "full name" in the form of its registered corporate name. The court held that it will be artificial to hold that the defence may only be available in circumstances where the full corporate name is used and was satisfied that a company may avail itself of the defence even in relation to its trading name subject to the "honest practices" proviso.<sup>204</sup>

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201 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [30]–[33] and [65].

202 [2004] RPC 40 at [116(ii)]–[116(iii)], *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [36].

203 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [38].

204 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [49].

19.134 The court considered the case *Rainforest Coffee Products Pte Ltd v Rainforest Café Inc*<sup>205</sup> (“*Rainforest*”) and concluded that the decision could not stand for the proposition that a company is able to avail itself of the own name defence only if it uses the registered corporate name, and not its trading name.<sup>206</sup> The real issue before the court in *Rainforest* was whether the appellant had sufficiently differentiated itself when it used the word “*Rainforest*” as a trade name, rather than the appellant’s failure to use its full corporate name including the words “*Pte Ltd*”. It seems that the court in *Rainforest* would have accepted not only the use of the name “*Rainforest Coffee Products Pte Ltd*”, but also “*Rainforest Coffee Products*”.<sup>207</sup> It was the use of the word “*Rainforest*” by itself that was found to be impermissible not least because in all likelihood, that was the source of the greatest degree of confusion.

“*Honest practices*” proviso

19.135 The court was of the view that while the “*honest practices*” proviso requires the defendant’s use of his own name to be *objectively assessed* in accordance with honest practices, it *also* requires the defendant to be *subjectively honest* in his use of his own name.<sup>208</sup>

19.136 The defendant’s state of mind is relevant to the inquiry. Proof of subjective dishonesty on the part of a defendant who is relying on the own name defence will make it easier to establish a failure to accord with honest practices.<sup>209</sup>

19.137 The court considered the English cases that followed *Reed* and stated that while those cases adopted an objective approach, they had also considered facts that related to the actual state of mind of the defendant.<sup>210</sup> Reference was made to the ten factors that were considered by Arnold J in the evaluation of the proviso, in *Samuel Smith Old Brewery (Tadcaster) v Philip Lee*<sup>211</sup> (“*Samuel Smith*”):

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205 [2000] 1 SLR(R) 725.

206 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [44].

207 *Rainforest Coffee Products Pte Ltd v Rainforest Café Inc* [2000] 1 SLR(R) 725 at [55].

208 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [54].

209 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [55].

210 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [58].

211 [2012] FSR 7 at [118].

- (a) whether the defendant knew of the existence of the trade mark, and if not whether it would have been reasonable to conduct a search;
- (b) whether the defendant used the sign complained of in reliance on competent legal advice based on proper instructions;
- (c) the nature of the use complained of, and in particular the extent to which it is used as a trade mark for the defendant's goods or services;
- (d) whether the defendant knew that the trade mark owner objected to the use of the sign complained of, or at least should have appreciated that there was a likelihood that the owner would object;
- (e) whether the defendant knew, or should have appreciated, that there was a likelihood of confusion;
- (f) whether there has been actual confusion, and if so whether the defendant knew this;
- (g) whether the trade mark has a reputation, and if so whether the defendant knew this and whether the defendant knew, or at least should have appreciated, that the reputation of the trade mark would be adversely affected;
- (h) whether the defendant's use of the sign complained of interferes with the owner's ability to exploit the trade mark;
- (i) whether the defendant has a sufficient justification for using the sign complained of; and
- (j) the timing of the complaint from the trade mark owner.

These factors are non-exhaustive but seen as “material” to the question of honesty when evaluating the application of the proviso.<sup>212</sup>

19.138 The court made the observation that in the majority of cases, satisfaction of the objective standard will tend to carry with it a finding of subjective honesty. It was acknowledged that there are two dimensions to the inquiry which can make a difference in the overall analysis, as seen in the facts of the present appeal.<sup>213</sup>

19.139 The first dimension relates to the burden of proof. The Court of Appeal was of the view that the learned judge took a somewhat lenient approach towards proof of the respondent's *bona fides* in relation to its adoption of the “amc” name. The learned judge gave the benefit of the doubt to the respondent as to why the respondent adopted the “amc”

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212 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [58].

213 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [61].

name when that name had no correlation with its predecessor company. The court found this to be incorrect and stated that the burden of proving use in compliance with honest practices lies squarely on the defendant, who must establish this on a balance of probabilities.<sup>214</sup>

19.140 The second dimension relates to the sort of evidence that should be adduced by the defendant. Menon CJ stated that it will generally be necessary for the following (non-exhaustive) issues to be addressed by the defendant.<sup>215</sup>

(a) How had the defendant devised the name? This is especially pertinent where the name does not appear to originate from, or have an apparent connection with, a natural person or corporate predecessor. It is also important to address this issue when the use of the name by the plaintiff predates its use by the defendant.

(b) How had the defendant devised the trade mark? [T]he own name defence is limited to justifying the defendant's use of its own name and nothing more. If there are other significant sources of similarity, then the defendant should adduce compelling evidence to explain such coincidences, failing which doubts may be raised over the defendant's *bona fides*, assuming the defence is available at all in such circumstances.

19.141 The court took the view that the respondent had not adduced satisfactory evidence to explain these matters adequately and was unable to rely on the own name defence under s 28(1)(a) of the TMA. In particular, the court did not consider that the respondent's use of the "amc" name accorded with honest practices. The reasons were stated as follows:<sup>216</sup>

First, the name 'amc' [bore] no evident connection with, or relation to, the name of the [predecessor] Chengdu Company (... Sichuan Da Hong Cultural Communication Co Ltd) [Apart] from a single instance on 1 November 2012 where an employee of the Respondent said that the name 'amc' was meant to stand for 'A Music Company', there [was] no other evidence of the Respondent *ever* representing itself to others as 'A Music Company' ...

Second ... the Chengdu Company ... had posted a job advertisement online and represented itself as a Singaporean company known as 'amc' involved in the events management business. This was well before the incorporation of the Respondent and was at a time when

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214 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [62].

215 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [63].

216 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [68]–[76].



the Appellant was the only Singaporean company engaged in the events management scene going by the name ‘amc’.

The court was of the view that the evidence was strongly suggestive of active misrepresentation by the Chengdu Company that it was, or was connected to, the Appellant.

Third, the Respondent’s attempt to explain the origins of the ‘amc’ name and the AMC Group Mark through the involvement of one Ms Yap [(the designer of the AMC Group Mark)] coupled with a poster bearing the AMC Group Mark ... promoting a concert in Chengdu on 28 June 2008 ... ‘gravely troubled’ [the court] as to the Respondent’s actions and whether these could be said to accord with honest practices. [Ms Yap said i]n her affidavit of evidence-in-chief ... that she was the one who had first conceived of the initial versions of the AMC Group Mark, which she referred to as ‘samples of AMC Asia logo’ ...

19.142 In allowing the appeal against the decision that the respondent could rely on the own name defence, the court was clearly persuaded by several factors weighing against the respondent.<sup>217</sup> The court was satisfied that the respondent had failed to discharge its burden of proving that the “amc” name, the AMC Group Mark and the AMC Live Mark were honestly and independently conceived or that the use of the “amc” name accorded with honest practices. The respondent’s conduct could not have been adjudged as “honest” in the subjective sense.

#### *Summary of applicable principles to the own name defence*

19.143 The court issued useful prescriptive guidance as to the principles that should be considered when considering the own name defence:<sup>218</sup>

- (a) The defence is available in relation to the use of a defendant’s name as a trade mark.
- (b) The defence is available in relation to the use of corporate names and this includes the use of the full company name as well as the defendant’s trading name.
- (c) The defence is available only in so far as the defendant seeks to justify the use of its own name and nothing more.
- (d) The defence is only made out if the defendant uses the name in accordance with honest practices in industrial and commercial matters. This entails both subjective and objective elements so the

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217 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [72]–[76].

218 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [65].

court must have regard to standards and practices that are commonly applied in the industry or business as well as the particular motivations and intentions of the defendant. Each element is a necessary, but not in itself sufficient, condition for the defence to be made out. Hence, the court must be satisfied that the invocation of the defence is in accordance with the standards and practices in the industry and also that the defendant is not actuated by dishonest motives or intentions.

(e) The burden of establishing the defence on a balance of probabilities lies on the defendant. This calls for an evaluation of the evidence in the usual way. The assertions of honesty on the part of the defendant will not suffice if the court is not satisfied of this fact [and] on a balance of probabilities upon considering all the evidence.

19.144 The court also listed the following non-exhaustive determinants when conducting an inquiry into honesty:<sup>219</sup>

(a) It is for the defendant to adduce evidence of its *bona fides*, especially when the name in question is a trading name used by a company ...

(b) It is for the defendant to provide a justifiable basis for its choice of name especially if there is no apparent origin for that name or if it was selected after the plaintiff (*ie*, the trade mark owner) had begun using that name ...

(c) It is for the defendant to provide compelling reasons to explain any other significant sources of similarities between the marks ...

(d) Although some degree of confusion may be tolerated, proof of an intention to misrepresent will take the defendant outside the “honest practices” proviso ... This may include an intention to:

(i) create the impression that there exists a commercial connection between the defendant and the trade mark proprietor;

(ii) discredit or denigrate the registered trade mark; or

(iii) devalue the trade mark through the taking of unfair advantage of its distinctive character or repute.

(e) [For] specific factors, the court [will] generally adopt those set out by Arnold J in *Samuel Smith* [(discussed at para 19.137 above)]. These factors] are not exhaustive but are to be seen as sign posts towards the ultimate question of honesty.

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219 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [66].

*Passing off – Applicability of the own name defence*

19.145 With respect to passing off, the Court of Appeal disagreed with the learned judge's views that the appellant had failed to establish goodwill. In terms of goodwill in the appellant's business, the court noted that a portion of the appellant's profits were derived locally, and the evidence reflected regular sales to repeat customers. There was sufficient evidence of goodwill in the appellant's business.<sup>220</sup>

19.146 As to misrepresentation, Menon CJ noted that the evidence demonstrated that the "amc" name, the "amc asia" name, and the marks that incorporated the "amc" name such as the AMC Asia Mark were distinctive of the appellant's business, at least within the events management industry in Singapore. The respondent's use of similar identifiers would give rise to a degree of confusion. The court found that the respondent had misrepresented its business to be that of the appellant or at least to be closely associated with or related to that of the appellant.<sup>221</sup>

19.147 The court was prepared to conclude that the misrepresentation actually caused, or was likely to cause, damage to the goodwill in the appellant's business. It was observed that the respective businesses of the parties were sufficiently close and, therefore, there was the prospect of damage. The group of companies (of which the respondent was a part) had already expanded its business to include the management of events. The court said that both parties might manage different types of events, but it would be artificial to assume that the appellant would never venture into managing other types of events.<sup>222</sup>

19.148 Having concluded that the trinity of requirements were satisfied for the tort of passing off to be made out, the court then considered the applicability of the own name defence to the tort of passing off. As the court had already found that the respondent could not avail itself of the own name defence in relation to the appellant's trade mark infringement claim on the facts of the present case, it would follow that the defence must also fail in relation to the appellant's claim in passing off, assuming that the defence was available in principle.<sup>223</sup>

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220 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [85].

221 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [92] and [93].

222 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [98].

223 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [99].

19.149 Nevertheless, the court went on to offer provisional view on whether it could be a defence at all in the context of passing off. The court opined that the own name defence, which is statutorily provided for in relation to trade mark infringement subject to the “honest practices” proviso, cannot be extended to cases of passing off which is based on a firm finding of misrepresentation. The focus in the passing off tort is on the actual or anticipated effect of the defendant’s actions on the mind of those constituting the relevant segment of the public. Hence, (subjective) honesty of intention or motive will not exculpate a defendant from liability under the tort if misrepresentation is found to have occurred.<sup>224</sup> The all-important caveat is that the Court of Appeal made it clear that these observations remain open for re-consideration on a future occasion when full arguments are made on the point.<sup>225</sup>

### ***Registered shapes – Distinctiveness – Technical result***

19.150 In *Société des Produits Nestlé SA v Petra Foods Ltd*,<sup>226</sup> the Court of Appeal sat as a five-member full bench (comprising Menon CJ; Chao Hick Tin, Andrew Phang Boon Leong, and Tay JJA; and Wei J) to consider the registrability of the two-finger shape and the four-finger shape chocolate bars (“Registered Shapes”) that bore the “KIT KAT” trade mark. The Registered Shapes<sup>227</sup> were registered as trade marks under the TMA. The appellants belong to the Nestlé group of companies and enjoyed a long history of selling their chocolate-coated wafer products in the form of the Registered Shapes.

19.151 The respondents imported, sold, and distributed two-finger and four-finger chocolate products on which were applied the “TAKE-IT” and “DELFI TAKE-IT” trade marks. The respondents’ products resembled the Registered Shapes. The appellants brought proceedings of trade mark infringement (product and packaging) in respect of both well-known and registered trade marks against the respondents, who counterclaimed for: “(a) invalidation of the registration of the Registered Shapes[; (b)] revocation of the registration of the Registered Shapes for non-use under s 22(1) of the TMA; and (c) damages for groundless threats of trade mark infringement.”<sup>228</sup>

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224 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [103].

225 *The Audience Motivation Co Asia Pte Ltd v AMC Live Group China (S) Pte Ltd* [2016] 3 SLR 517 at [100].

226 [2017] 1 SLR 35.

227 See *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [6] for the description of the Registered Shapes.

228 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35.

*The case for invalidation (on the ground of a lack of distinctiveness)  
against the trade marks for the registered shapes*

Inherent distinctiveness

19.152 Writing for a unanimous Court, Menon CJ commenced his judgment with a comment, “the law has tended to view attempts to obtain protection over three-dimensional marks [or ‘shape marks’] with some suspicion” and that courts today “still find themselves grappling with the single recurring theme in the present appeal: when is a trader entitled to a perpetual monopoly of a shape that has been used in connection with his trade?”<sup>229</sup>

19.153 The Court of Appeal agreed with the High Court that the Registered Shapes lacked inherent distinctiveness. It did not accept the Nestlé’s argument that a shape which departs significantly from the norms and customs of the sector will necessarily fulfil the function of indicating trade origin. Following the principles set out in *Bongrain SA’s Trade Mark Application*<sup>230</sup> (“*Bongrain*”), a departure from the norms and customs of the sector, without more, will not be sufficient to impart trade mark significance to a shape. Having considered British and European decisions, the court was of the view that in the final analysis, whether a shape possesses a distinctive character is a question of fact.

19.154 In the view of the court, the *Bongrain* approach was also consistent with the decision of the Singapore High Court in *Nation Fittings (M) Sdn Bhd v Oystertec plc*,<sup>231</sup> where Andrew Phang Boon Leong J (as he then was) expressed the view that the unusual shape of a mark will not afford a sufficient basis for finding that that mark can be considered a trade mark. What has to be shown is that that mark is in fact perceived by the average consumer as a badge of origin.<sup>232</sup>

19.155 From a survey of different authorities,<sup>233</sup> the court distilled the following propositions:<sup>234</sup>

... *First*, a mark’s inherent distinctiveness must be assessed by reference to the goods or services in respect of which registration is sought as well as the perception of the relevant persons, namely, the consumers of those goods or services. The critical question to ask is whether the average consumer would appreciate the trade mark

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229 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [1].

230 [2005] RPC 14.

231 [2006] 1 SLR(R) 712 at [30].

232 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [32].

233 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [25]–[31].

234 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [33].

significance of the mark in question without being educated that it is used for that purpose. [In the case of shape marks, this can be] challenging [because shapes] are not usually perceived as conveying messages about trade origin ... *Second*, for a mark to be registrable as a trade mark, it is insufficient for the mark to consist of a shape which is unusual, new or visually distinctive. [The] appearance of the mark must *in itself* convey trade mark significance. [emphasis in original]

19.156 Applying these principles, Menon CJ was satisfied that the Registered Shapes lacked inherent distinctiveness for the following reasons:<sup>235</sup>

- (a) “[T]he Registered Shapes [did] not represent a significant departure from the norms and customs of the chocolate confectionery sector.”
- (b) “[There was] no evidence that the average consumer appreciate[d] that the Registered Shapes convey[ed] *trade mark* significance.” [emphasis in original]
- (c) “[There was no evidence] that the average Singapore consumer [was] likely to regard the shapes of chocolate bars as trade marks as a consequence of the competitive pressure amongst traders to stand out from the crowd.”

*Whether the registered shapes have acquired distinctiveness through use*

19.157 The notion of acquired distinctiveness embodied in s 7(2) of the TMA operates as an exception to allow the registration of signs which lack inherent distinctiveness. The High Court held that it is insufficient for the applicant to prove that the average consumer *associates* the sign (in this case, a shape) with a particular manufacturer. Instead, the applicant must show that a significant proportion of the relevant class of persons *rely* upon the sign on its own as indicating that the goods or services in question “originate[s] from a particular trader and from no other”.<sup>236</sup> The Court of Appeal coined this as the “Reliance Test”, which was also accepted by the *amicus curiae* Prof Ng-Loy Wee Loon.<sup>237</sup>

19.158 On the other hand, the appellants contended that there is no need to establish reliance; it will suffice to prove that the average consumer *identifies* goods bearing the shape in question as originating from a particular undertaking (*viz*, Identification Test). On this basis, Nestlé argued that the Registered Shapes satisfied the threshold for

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235 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [34].

236 *Société Des Produits Nestlé SA v Petra Foods Ltd* [2014] SGHC 252 at [169].

237 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [36].

acquired distinctiveness since the learned judge had accepted that they enjoyed a “high degree of recognition”.<sup>238</sup>

19.159 The Court of Appeal was also careful not to accept a “mere association” test as a basis for establishing whether *de facto* distinctiveness had in fact been acquired. The long usage of a particular shape by a trader may result in a substantial degree of market recognition, such that there may be a tendency for consumers to “associate” that shape with a particular trader because they have become familiar with that shape and recognise it. The court emphasised that such recognition or association is quite different from, and does not equate with, reliance upon that shape as a badge of origin. Reliance occurs in the quite distinct situation where the trader and consumers of his product regard the shape in question as a badge of origin.<sup>239</sup>

19.160 The court summarised the various formulations of the test for acquired distinctiveness that have been cited in authorities, thus:<sup>240</sup>

(a) ... “[The applicant] must prove that only the trade mark in respect of which registration is sought, as opposed to any other trade marks which may also be present, indicates, without any possibility of confusion, the exclusive origin of the goods or services concerned”<sup>241</sup> ...

(b) ... “[T]he trade mark applicant must prove that the relevant class of persons perceive the goods or services designated exclusively by the mark applied for, as opposed to any other mark which might also be present, as originating from a particular company”<sup>242</sup> ...

(c) ... “[T]he relevant class of persons, or at least a significant proportion thereof, identifies goods or services as originating from a particular undertaking because of the trade mark in question”<sup>243</sup> ...

(d) ... “[A] significant proportion of the relevant class of persons rely upon the trade mark (as opposed to any other trade marks which may also be present) as indicating the origin of the goods”<sup>244</sup> ...

19.161 The court opined that the above formulations address the same essential idea, which is whether, by reason alone of the mark, consumers

238 *Société Des Produits Nestlé SA v Petra Foods Ltd* [2014] SGHC 252 at [211].

239 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [44].

240 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [46].

241 Case C-215/14 *Société des Produits Nestlé SA v Cadbury UK Ltd* [2014] ETMR 17, Opinion of AG Wathelet, para 55.

242 *Société des Produits Nestlé SA v Cadbury UK Ltd* [2015] Bus LR 1034 at [67].

243 *Oberbank AG v Deutscher Sparkassen-und Giroverband eV* [2014] Bus LR 786 at [42], applying *Windsurfing Chiemsee Produktions-und Vertriebs GmbH v Boots-und Seglzubehor Walter Huber and Franz Attenberger* [1999] ETMR 585.

244 *Société des Produits Nestlé SA v Cadbury UK Ltd* [2014] ETMR 17 at [55].

perceive the goods in question as emanating from a particular trader. The “common core” to all the various formulations is whether the average consumer will treat the sign in issue as a trade mark, that is, as a guarantee of origin.<sup>245</sup>

19.162 The court endorsed the position taken by the High Court in adopting the Reliance Test enunciated by Arnold J in *Société des Produits Nestlé SA v Cadbury UK Ltd*,<sup>246</sup> and reiterated that:<sup>247</sup>

... the question of reliance is directed at whether consumers perceive the sign in question as an indicator of the origin of the goods or services to which the sign is applied. The key question, in broad terms, is whether consumers treat that sign as a trade mark, that is to say, as a guarantee of origin. This inquiry will entail an overall assessment of the evidence.

19.163 The appellants contended that the Reliance Test will be unduly onerous on would-be trade mark proprietors and will effectively sound the death knell for unconventional marks such as shapes. The court referred to *Reckitt Colman Products v Borden Inc*<sup>248</sup> (viz, the *Jif Lemon* case) and *Fredco Trading Ltd v Miller*<sup>249</sup> as examples which show that the Reliance Test is not impossible to satisfy where shape marks are concerned. In both these cases, the shapes concerned were capable of being immediately perceived by the consumer at the point of sale and in that sense, *could* function, at least notionally as a badge of origin. The court also remarked that the Reliance Test does not unfairly discriminate against would-be proprietors of shape marks because, on the whole, traders and consumers simply tend not to use the shapes of products for trade mark purposes.<sup>250</sup>

19.164 On the evidence, it was held that the Registered Shapes had not acquired distinctiveness through use. Apart from misgivings that were expressed by the learned trial judge against the quality of the survey evidence,<sup>251</sup> the court was also not convinced that such evidence showed that the consumers had come to rely on the Registered Shapes as a guarantee of origin. It only showed that the average consumer associated the Registered Shapes with the appellants or recognised these shapes as being similar to the shape of the products sold by the appellants.<sup>252</sup> Such recognition did not translate to *use* of the Registered Shapes *as trade*

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245 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [47]–[48].

246 [2014] ETMR 17.

247 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [51].

248 [1990] 1 WLR 491.

249 (2006) 8 NZBLC 101.

250 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [52]–[55].

251 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [65].

252 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [66].



marks since the product bearing those shapes had been sold and marketed alongside prominent brand identifiers.<sup>253</sup> Therefore, there was no reason to disturb the findings of the court below.

19.165 A question arose as to whether, in determining acquired distinctiveness, the trade marks in question had to be visually perceived at the point of sale, the argument being that a consumer cannot be said to rely on the shape of a product as being a badge of origin if the shape cannot be seen or perceived at the point of sale. The court did not express a conclusive view, but made some observations.<sup>254</sup>

[T]rade mark law [did not shut] out completely signs which are not visible at the point of sale ... [T]he inquiry into acquired distinctiveness [was] an intensely factual exercise. ... [C]ase precedents [may not be helpful] save to the extent that they might show that the lack of visibility of a shape at the point of sale does not necessarily preclude it from acquiring distinctiveness so as to be registrable as a trade mark ... [T]wo dimensional representation[s] of a three-dimensional shape mark on product packaging as well as on other relevant marketing materials may in certain circumstances facilitate awareness of the shape mark in its three-dimensional form by the relevant public ... However, the effect of such two-dimensional representation must ultimately turn on how exactly the shape mark is represented in its two-dimensional form and how [this is perceived by customers.]

19.166 The court also considered the issue of “limping” trade marks, that is, marks that have never been used as the sole means of identifying trade origin, but have always been used alongside other trade marks. Also known as “secondary” marks, the court stated that there is no absolute rule that a mark that has only been used with other trade marks cannot also on its own distinguish the relevant goods or services.<sup>255</sup>

*Whether the registered shapes were caught by the “technical result” prohibition*

19.167 The basis for this ground of invalidation/refusal of registration is set out in s 7(3) of the TMA:

- (3) A sign shall not be registered as a trade mark if it consists exclusively of—
- (a) the shape which results from the nature of the goods themselves;

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253 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [67]–[68].

254 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [57].

255 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [59]–[60].

- (b) the shape of goods which is necessary to obtain a technical result; or
- (c) the shape which gives substantial value to the goods.

The learned judge found in favour of the appellants in respect of ss 7(3)(a) and 7(3)(c). There was no cross-appeal. The remaining basis for invalidation on appeal was s 7(3)(b) of the TMA.

19.168 The test for ascertaining whether a shape mark is caught by the “technical result” prohibition in s 7(3)(b) of the TMA involves two stages:<sup>256</sup> identifying the essential characteristics of the shape mark in question; and determining whether each and every one of the essential characteristics performs a technical function.<sup>257</sup>

19.169 The Court of Appeal set out the approach that should be taken towards the evidence that should be proffered as follows:<sup>258</sup>

- (a) Stage One, which relates to the identification of the essential characteristics of the shape mark concerned, should be undertaken from the perspective of the average consumer. In this regard, consumer surveys might be considered relevant even if they might not be necessary. Technical evidence, however, should not be admitted at this stage ...
- (b) In contrast, Stage Two, which involves examining the essential characteristics identified at Stage One so as to determine whether they are ‘necessary to obtain a technical result’, may be undertaken with the assistance of technical evidence.

19.170 With reference to Stage One, the court agreed with the learned judge’s analysis and did not depart from his Honour’s findings of essential features of the Registered Shapes, namely:<sup>259</sup>

- (a) the rectangular ‘slab’ shape of the Registered Shapes as depicted in the application for registration, including the relative proportions of length, width and depth;
- (b) the presence, position and depth of the breaking grooves arranged along the length of each bar, effectively dividing each bar into detachable fingers; and
- (c) the number of breaking grooves in each bar, which, together with the width of the bar, determined the number of fingers in that bar.

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256 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [81].

257 *Lego Juris A/S v Office for Harmonisation in the Internal Market (Trade Marks and Designs)* [2010] ETMR 63 at [71]–[72].

258 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [87].

259 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [89]–[93].

19.171 The court dismissed the appellants' arguments which added the trapezoidal shape of each finger and the plinth as essential features of the Registered Shapes, observing that the appellants themselves did not consider the trapezoidal shape and the plinth to be sufficiently significant to be included in the description of the Registered Shapes at the time of the application for registration.<sup>260</sup>

19.172 In considering Stage Two, the court opined that the fact that an essential feature also serves an aesthetic (or other non-technical) function shall not override the strong public interest in allowing public access to the technical solution. The balance that was struck by CJEU in *Lego Juris A/S v Office for Harmonisation in the Internal Market (Trade Marks and Designs)*<sup>261</sup> was endorsed, namely, that while "minor arbitrary elements" in the shape of a product will not suffice to take the shape outside the ambit of the "technical result" prohibition, this prohibition will not apply if the shape "incorporates a *major non-functional element*, such as a decorative or imaginative element which plays an important role in the shape".<sup>262</sup>

19.173 In assessing whether the term "technical result" in this provision encompasses technical solutions embodied in the process of *manufacturing* the product to which the shape mark is applied, as opposed to the manner in which that product *functions*, the court preferred the view that shapes whose essential features are necessary to obtain technical results relating to the manufacture of a final product shall fall within the ambit of s 7(3)(b) of the TMA as well. It was reasoned that any advantage that the trade mark owner may obtain in the manufacturing process will likely translate to greater efficiency and cost savings for him and, likewise, give him an unfair advantage over his competitors.<sup>263</sup>

19.174 The appellants also submitted that analysis of the technical result exclusion was confined to an examination of the graphical representation of the mark as registered or sought to be registered and it was not permissible to consider invisible elements not perceptible from the mark in question. In dismissing this argument, the court held that even though "trade mark" is defined in s 2(1) of the TMA as "any sign capable of being represented *graphically*", this does not inevitably lead to the conclusion that the *technical effect* of the essential features of a shape mark must be visible in the graphical representation of that mark in

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260 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [93].

261 [2010] ETMR 63 at [52]; *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [94].

262 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [98].

263 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [105].

order for the “technical result” prohibition in s 7(3)(b) of the TMA to apply.<sup>264</sup>

19.175 The court evaluated the essential features of the Registered Shapes, and held that all that is required for a shape to fall within the “technical result” prohibition in s 7(3)(b) of the TMA is that each of its essential features is “necessary to obtain a technical result”. This was clearly made out on the evidence before the court, with the conclusion that the Registered Shapes fell under the exclusion of s 7(3)(b) of the TMA.<sup>265</sup>

*Whether the registration of the registered shapes should be revoked for non-use*

19.176 The Court of Appeal also considered whether the Registered Shapes should be revoked for non-use under ss 22(1)(a) and 22(1)(b) of the TMA. The court took the view that even if the Registered Shapes could have been validly registered as trade marks, they had not been put to genuine use for the purposes of both sections and their registration would be revoked. The appellants’ submission that the mere commercial exploitation of a registered trade mark constitutes genuine use does not pay sufficient heed to whether there has been use of that trade mark as a *badge of origin*.

19.177 Menon CJ issued the following guidance as to how an examination of whether a trade mark has been put to genuine use is to be conducted. The following extract from *La Mer Technology Inc v Office for Harmonisation in the Internal Market (Trade Marks and Designs)*<sup>266</sup> was cited with approval.<sup>267</sup>

To examine whether [a] trade mark has been put to genuine use, an overall assessment must be carried out, which takes into account all the relevant factors of the particular case. That assessment entails a degree of interdependence between the factors taken into account. Thus, the fact that [the] commercial volume achieved under the mark was not high may be offset by the fact that use of the mark was extensive or very regular, and *vice versa*. In addition, the turnover and the volume of sales of the product under the ... trade mark cannot be assessed in absolute terms but must be looked at in relation to other relevant factors, such as the volume of business, [the] production or marketing capacity or the degree of diversification of the undertaking using the trade mark and the characteristics of the products or services on the relevant market.

264 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [109].

265 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [111]–[115].

266 [2008] ETMR 9 at [57].

267 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [122].

To the above, the court added another factor – the nature of the use of the trade mark.<sup>268</sup>

19.178 The court held that the Registered Shapes were concealed in opaque packaging and even when the bars were unwrapped for consumption, the word “Kit Kat” featured prominently. The Registered Shapes were never used on their own even in advertising and promotional materials. The Registered Shapes were also portrayed on the product packaging in highly modified form and such portrayal served merely to illustrate the products that were merchandised and to attract customers. The domination of other trade marks would have led consumers to believe that the Registered Shapes were mere manifestations of Kit Kat chocolate bars rather than indicators of origin in themselves. The court desisted from disturbing the learned judge’s findings.<sup>269</sup>

*Whether the registered shapes should be protected as well-known trade marks*

19.179 Nestlé also did not succeed in arguing that the Registered Shapes should be protected as well-known trade marks. The Court of Appeal held that it cannot be the Parliament’s intention to confer well-known trade mark protection on signs that are barred from registration by dint of the absolute grounds for refusal of registration set out in s 7 of the TMA. Allowing the protection of such unregistrable marks will in no way advance the purpose of the well-known trade marks regime.<sup>270</sup>

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268 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [123].

269 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [123].

270 *Société des Produits Nestlé SA v Petra Foods Ltd* [2017] 1 SLR 35 at [137].