

## 19. INTELLECTUAL PROPERTY LAW

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### Copyright

#### **Global Yellow Pages v Promedia Directories – Copyright in compilation works**

19.1 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. About a quarter-century ago, the US Supreme Court delivered a landmark ruling in *Feist Publications, Inc v Rural Telephone Service Co, Inc*<sup>1</sup> that rejected the “sweat of the brow” doctrine, and held that a factual compilation may receive copyright protection only if it featured an original selection or arrangement.<sup>2</sup> In *Global Yellow Pages Ltd v Promedia Directories Pte Ltd*,<sup>3</sup> the High Court, in a 122-page judgment by George Wei J, engaged in a comprehensive exegesis of US, Australian, Canadian, English and Singapore case law, and concluded that copyright subsisted in each of the Business Listings (“BL”) (a white pages directory), a classified Yellow Pages directory (“YP”) and online directory only *as a whole*. However, copyright did not subsist in (among other claims) the listings in the BL, the listings within each YP classification, or the seeds (dummy listings introduced to detect copying) whether individually or in their totality as a compilation. These findings were disputed by Global Yellow Pages (“GYP”) on appeal to Court of Appeal in *Global Yellow Pages Ltd v Promedia Directories Pte Ltd*<sup>4</sup> (“*Global Yellow Pages (CA)*”).

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1 499 US 340 at 352–354 (1991).

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

3 [2016] 2 SLR 165; see also (2016) 17 SAL Ann Rev 504 at 504–525 for an analysis of the High Court decision.

4 [2017] 2 SLR 185.

19.2 The plaintiff – GYP – and defendant – Promedia Directories (“Promedia”) – were competing telephone directory producers. The works in suit comprised editions of GYP’s BL, YP and online directory. The central issue was whether GYP’s directories are protected by copyright, and if so, what the scope of that protection is. The listings in the BL were arranged in alphabetical order with no classification or categorisation. The listings in the YP 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.

19.3 GYP claimed that copyright subsisted in three broad categories of works: (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; (b) the “seeds” in the plaintiff’s directories;<sup>5</sup> and (c) the “enhanced data” found in the plaintiff’s directories.<sup>6</sup> These works were argued to be protected by copyright as compilations, by reason of the selection or arrangement of their contents. GYP alleged that its claimed copyright in these works have been infringed by Promedia in three directories produced or maintained by the latter: the Green Book (a print directory); the Green Book CD-ROM (a digital directory); and the Green Book Directory (an online directory maintained at <http://www.thegreenbook.com>) (collectively “the GB”). On appeal, GYP also argued that its copyright was infringed by Promedia’s use and deployment of material from GYP’s directories in the former’s temporary database.

#### *Summary of Court of Appeal’s decision*

19.4 The High Court had held that copyright subsisted *only* in (a) the YP *as a whole* (the compilation including the front matter, introductory material, special segments and classified listings), (b) the BL *as a whole* (the compilation including introductory material, various segments and the actual subscriber listings), and (c) the compilations of the listings *in*

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5 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [9]. “Seeds” are false listings which Global Yellow Pages (“GYP”) deliberately introduced into its directories to detect copying. These listings comprise a fictitious company or person which bore the plaintiff’s registered or post-office box address. GYP claimed that each individual seed is itself a compilation that constitutes an intellectual creation.

6 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [9]. “Enhanced data” refers to the individual listings in the plaintiff’s directories (*ie*, business names, addresses, profiles, telephone or fax numbers, website URLs, and other additional information). The data is said to be “enhanced” because the listings appear in the plaintiff’s directories in their final form only after they have been verified, embellished, arranged and classified.

*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. It was held that copyright did not subsist in (a) the individual listings in the YP and BL, (b) the listings selected and arranged within each classification, or the individual classifications themselves, in both the YP and BL, and (c) each individual seed in the online directory. Furthermore, Wei J found GYP liable for groundless threat of copyright infringement under s 200 of the Copyright Act,<sup>7</sup> commenting that in the absence of clear binding authority on the position of industrious collection and creativity in determining copyright subsistence in Singapore, the threats of action made by the plaintiff were overbroad and unjustified.<sup>8</sup>

19.5 Sitting as a rare five-member full bench, the Court of Appeal affirmed most of Wei J’s findings, but allowing GYP’s appeal only in relation to the issue of subsistence of copyright in so far as it relates to the arrangement of the listings in the BL (even though this had no consequence to the outcome) and the issue of groundless threats of copyright infringement. In concluding that Promedia’s scanning and photocopying of the BL listings was fair dealing, the court also provided significant guidance on the application of the fair-dealing provision under s 35(2) of the Copyright Act.

19.6 Sundaresh Menon CJ, delivering the unanimous judgment of the court, observed, “copyright protects not ideas, facts or data, but the *expression* thereof” [emphasis in original] and if “a *compilation* of facts, specifically a *selection or arrangement* of the facts, was *original* [then it] could, as such, conceivably be eligible for copyright protection, though the protection conferred would be ‘thin’” [emphasis in original].<sup>9</sup> Menon CJ also clarified that one must focus on the “nexus between the originality, skill and effort that goes into a work, and the substantiality of copying required to establish infringement” and that “although copyright may subsist in a work *as a whole*, there would be no infringement of such copyright unless one copies the work *as a whole*, or

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7 Cap 63, 2006 Rev Ed.

8 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [414]–[417].

9 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [15], citing with approval *Feist Publications, Inc v Rural Telephone Service Co, Inc* 499 US 340 (1991).

a substantial portion of the part of the work *that attracts copyright protection in the first place*” [emphasis in original].<sup>10</sup>

*Whether copyright subsists in Global Yellow Pages’ works*

19.7 On the first issue of whether copyright subsists in GYP’s works, the court held, “for copyright to subsist in any literary work, there must be an *authorial* creation that is *causally connected* with the *engagement of the human intellect* [that is,] the application of intellectual effort, creativity, or the exercise of mental labour, skill or judgment” [emphasis in original].<sup>11</sup> In the context of compilations, the compiler must “exercise *sufficient creativity in selecting or arranging* the material within the compilation; and if the compiler does so, the resulting copyright will only protect the original *expression* in the form of the *selection or arrangement* of the material” [emphasis in original].<sup>12</sup>

19.8 The court agreed with Wei J’s observation that there has been a noticeable retreat from the “sweat of the brow” approach that once dominated in the decisions of the Australian and English courts, and that contemporary approaches in Australia and Canada, when evaluating copyright subsistence, are placing the emphasis on the creativity that is directed towards the eventual expression. While the court held, “[in] the final analysis, it will be a question of fact and degree whether such acts and choices demonstrate sufficient intellectual effort and bear a sufficient causal nexus with the final work such that it attracts copyright”,<sup>13</sup> it noted, “in every decision of which we are aware, the alphabetical arrangement of data has not crossed the threshold of creativity”.<sup>14</sup>

19.9 Regarding the argument that the courts should step in to deal with “free-riding”, or the appropriation of data or facts that represents the fruit of an investment, Menon CJ<sup>15</sup> commented, “even if one might frown on the commercial immorality underlying such conduct, this is simply not within the purview of copyright law. Instead, this is more

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10 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [16] (referring to *IceTV Pty Ltd v Nine Network Australia Pty Ltd* (2009) 239 CLR 458 at [30]–[32], [35]–[44] and [49]–[54]).

11 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [24].

12 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [24].

13 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [30]. The court also referred to a decision of the US Court of Appeals for the Eleventh Circuit which found that copyright did not subsist in a phone directory: *Bellsouth Advertising & Publishing Corp v Donnelley Information Publishing, Inc* 999 2d 1436 (11th Cir, 1993).

14 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [33].

15 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [34].

properly the province of a *sui generis* database right, which has been recognised in the European Union but not in Singapore”. Menon CJ concluded that it was not the function of the Judiciary to supplant the Legislature, as GYP attempted to persuade the court to do, by adopting a lower standard of creativity in the case of factual compilations.<sup>16</sup> This point was previously made in David Tan, “Copyright in Compilations: Embarking on a Renewed Quest for the Human Author and the Creative Spark”.<sup>17</sup>

If one takes the view that the substantial investments involved in the preparatory efforts for compilations and databases should be protected, then the solution lies in enacting legislation similar to the European Council Database Directive 96/9/EC that grants *sui generis* database rights and not in lowering the originality requirement for copyright subsistence.

19.10 Menon CJ agreed with Wei J that copyright did not subsist in the listings arranged within each classification,<sup>18</sup> and that copyright cannot subsist in the BL by virtue of the *selection* of its contents, as that lacked creativity. However, the court agreed with GYP’s contention that the *arrangement* of the BL’s contents exhibited sufficient creativity. The court was of the view that “the sorting rules (taken in their entirety) are neither entirely obvious nor inevitable [but the] other rules taken together would, in our judgment, cross the creativity threshold but just barely”.<sup>19</sup> As a consequence, the resulting copyright protection is “extremely thin”, and the court set an extremely high bar for a finding of infringement – it could only be established by “nothing less than *near-wholesale taking* of the BL listings, arranged *exactly* as they were in the BL” [emphasis in original].<sup>20</sup>

19.11 Regarding the seeds, the court held that copyright cannot subsist in a seed as it is not a literary work and that courts are generally reluctant to cloak short works with copyright protection. Moreover, a seed certainly does not provide “information, pleasure or instruction”, which is the purpose of a literary work.<sup>21</sup>

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16 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [35].

17 (2013) 18(2) *Media & Arts Law Review* 151 at 162.

18 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [38].

19 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [49].

20 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [49].

21 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [52].

*Whether copyright subsists in Global Yellow Pages' works, if any, was prima facie infringed by Promedia Directories*

19.12 Considering that nothing less than *near-wholesale taking* of the BL listings would give rise to infringement, the court agreed with the High Court that that none of the GB directories infringed any copyright in GYP's directories. The court noted that the result of Promedia's efforts was a set of GB directories that was visibly different from GYP's corresponding directories; essentially, what was copied by Promedia was the *data* in GYP's directories, but the copied data was not reproduced in the same form in which it had appeared in GYP's directories.<sup>22</sup>

19.13 As a matter of pleadings, the court held that GYP could not argue that Promedia's temporary database was an infringing work. Its use of "namely" (instead of "including") in the pleading suggested that the list of allegedly infringing works was exhaustive, while the lack of any reference or allusion to databases suggested that they were not regarded as infringing works.<sup>23</sup> Nonetheless, the court also explained that the claim would not succeed on the merits because the use of the temporary database would have been fair dealing. Even if GYP can overcome the defect in its pleadings, the court held that Promedia's taking of the BL listings by photocopying or scanning them into its temporary database amounts to fair dealing within s 35 of the Copyright Act.

*Whether Promedia Directories' use was fair dealing*

19.14 The court traced the development of fair dealing in Singapore, as codified in the Copyright Act. It was noted that in 2004, the scope of s 35 was expanded such that a fair dealing for "any purpose" (as opposed to merely for "research or private study") might be held not to amount to an infringement of copyright, and that "[this] also made Singapore's fair dealing provisions more similar to its American counterpart, which is more open-textured".<sup>24</sup> The court emphasised that the inquiry under s 35(2), "in the final analysis, is necessarily fact-sensitive".<sup>25</sup> Section 35(2) of the Copyright Act states:

(2) For the purposes of this Act, the matters to which regard shall be had, in determining whether a dealing with a literary ... work ... being a dealing by way of copying the whole or a part of the work or adaptation, constitutes a fair dealing with the work or

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22 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [9].

23 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [54]–[58].

24 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [76].

25 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [86].

adaptation for any purpose other than a purpose referred to in section 36 or 37 shall include —

- (a) the purpose and character of the dealing, including whether such dealing is of a commercial nature or is for non-profit educational purposes;
- (b) the nature of the work or adaptation;
- (c) the amount and substantiality of the part copied taken in relation to the whole work or adaptation;
- (d) the effect of the dealing upon the potential market for, or value of, the work or adaptation; and
- (e) the possibility of obtaining the work or adaptation within a reasonable time at an ordinary commercial price.

19.15 Menon CJ hinted at the willingness of the local courts to take greater cognisance of American and Australian decisions in this area: “Accordingly, although there are very few reported local cases that consider in detail the scope of and relationship between the factors in s 35(2) of the Copyright Act, both American and Anglo-Australian jurisprudence will be helpful in shaping our law on fair dealing.”<sup>26</sup> The persuasiveness and relevance of US fair-use decisions was similarly argued in earlier academic articles.<sup>27</sup> In particular, in proposing an autochthonous approach to interpreting the interplay of fair dealing factors under s 35(2), David Tan and Benjamin Foo remarked:<sup>28</sup>

Although Singapore courts may be guided by principles from foreign jurisdictions, including the transformative use doctrine in the US, substantial regard must be had to unique local conditions. Therefore, instead of importing the primacy of the transformative use doctrine, the proposed approach urges Singapore courts to engage in a nuanced balancing of the five factors on a case-by-case basis, taking into consideration ‘the social costs and the economic implication’, without privileging any factor over the others.

19.16 In respect of the first factor, the purpose and character of the dealing, Menon CJ emphasised, “the inquiry is heavily shaped by what it was in a work that attracted copyright and what was done with that aspect of the work”<sup>29</sup> The court referred to both English and American cases, observing that this factor favoured fair dealing where “the

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26 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [76].

27 David Tan & Benjamin Foo, “The Unbearable Lightness of Fair Dealing: Towards an Autochthonous Approach in Singapore” (2016) 28 SAclJ 124; David Tan, “The Transformative Use Doctrine and Fair Dealing in Singapore: Understanding the ‘Purpose and Character’ of Appropriation Art” (2012) 24 SAclJ 832.

28 David Tan & Benjamin Foo, “The Unbearable Lightness of Fair Dealing: Towards an Autochthonous Approach in Singapore” (2016) 28 SAclJ 124 at 159, para 48.

29 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [77].

defendant added to, recontextualised or transformed the parts taken”<sup>30</sup> or where the new work was “transformative”, that is, whether it “[supersedes] the objects” of the original creation, or “adds something new, with a further purpose or different character”.<sup>31</sup> It appears that the Court of Appeal is edging toward the view of the US Supreme Court in *Campbell v Acuff-Rose Music, Inc*<sup>32</sup> (“*Campbell*”) when Menon CJ remarked, “we do not go as far as those cases which suggest that a commercial nature or purpose of the dealing will presumptively be regarded as unfair” and “the commerciality of the dealing is but one of the factors to be considered and it will not necessarily be fatal to a finding of fair dealing”.<sup>33</sup> In fact, the court considered the application of the transformative use doctrine in *Campbell* (where the commerciality of the rap song, “Pretty Woman”, was trumped by the transformative value of the parody) and in *Authors Guild, Inc v Google, Inc*<sup>34</sup> (where Google’s making of digital copies of books for the purpose of enabling a search for identification of books containing a term of interest to the searcher involved a highly transformative purpose).

19.17 In the present case, Menon CJ held, “even though the scanning and photocopying took place in a commercial setting, the *purpose* of the dealing in this case was to access the data that was contained in the listings, and had nothing to do the use of the particular arrangement of that data, which is what attracted copyright in the first place” [emphasis added].<sup>35</sup> Accordingly, the first factor does not weigh against a finding of fair dealing under s 35(2)(a) of the Copyright Act.

19.18 Interestingly, the court made a reference that “various circuits were apparently split”<sup>36</sup> on the transformative use doctrine, but unfortunately, the court did not explain further the extent to which it would accept the transformative use doctrine as informing Singapore law. Indeed, Souter J in *Campbell* laid the groundwork for the transformative use doctrine – especially for commercial parodies and appropriation art – to flourish over the next two decades.<sup>37</sup>

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30 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [79], referring to *Newspaper Licensing Agency Ltd v Marks & Spencer plc* [2003] 1 AC 551; [1999] EMLR 369 at 380 and *University of London Press Ltd v University Tutorial Press Ltd* [1916] 2 Ch 601 at 613–614.

31 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [79], referring to *Campbell v Acuff-Rose Music, Inc* 510 US 569 (1994).

32 510 US 569 (1994).

33 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [81].

34 804 F 3d 202 (2nd Cir, 2015).

35 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [81].

36 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [88].

37 *Campbell v Acuff-Rose Music, Inc* 510 US 569 at 579 (1994).

[The] goal of copyright, to promote science and the arts, is generally furthered by the creation of transformative works. Such works thus lie at the heart of the fair use doctrine's guarantee of breathing space within the confines of copyright ... and the more transformative the new work, the less will be the significance of other factors, like commercialism, that may weigh against a finding of fair use.

19.19 In response to the *Campbell* decision, Pierre Leval hailed Souter J's opinion as "perceptive and profound" and was delighted that it had "restored order and good sense to fair use"; he also believed that it was "the finest opinion ever written on the subject of fair use".<sup>38</sup>

19.20 The transformative use test has become the defining standard for fair use, and it has risen to the top of the agenda of the copyright academic community in the US in the last five years. With respect to the first factor of fair use, the statute requires courts to examine the "purpose and character of the use", but neither "purpose" nor "character" is defined in the statute. US courts end up considering a kaleidoscope of relevant factors like what kind of transformation is present in the secondary work, the track record of the author of the secondary work, the extent of commentary or criticism present in the secondary work, the significance of the secondary use to research or study, as well as its public benefit.<sup>39</sup> Indeed, the transformative use doctrine in the first factor of fair use is a difficult one to elucidate.

19.21 Most of the US Circuit Court decisions in the last decade on fair use have hailed from the Second and Ninth Circuits, with a handful from the Federal, First, Third, Fourth, Tenth, Seventh and Eleventh Circuits, and virtually nothing of note from the Fifth, Sixth and Eighth Circuits.<sup>40</sup> The transformative use doctrine, as consistently articulated by the Second Circuit for over a decade, was succinctly stated by the court in 2013:<sup>41</sup>

If the secondary use adds value to the original – if [the original work] is used as raw material, transformed in the creation of new information, new aesthetics, new insights and understandings – this is

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38 Pierre N Leval, "Nimmer Lecture: Fair Use Rescued" (1997) 44 UCLA L Rev 1449 at 1464.

39 David Tan, "The Lost Language of the First Amendment in Copyright Fair Use: A Semiotic Perspective of the 'Transformative Use' Doctrine Twenty-Five Years On" (2016) 26(2) Fordham Intell Prop Media & Ent LJ 311 at 325.

40 David Tan, "The Lost Language of the First Amendment in Copyright Fair Use: A Semiotic Perspective of the 'Transformative Use' Doctrine Twenty-Five Years On" (2016) 26(2) Fordham Intell Prop Media & Ent LJ 311 at 325.

41 *Cariou v Prince* 714 F 3d 694 at 706 (2nd Cir, 2013); see also David Tan, "The Transformative Use Doctrine and Fair Dealing in Singapore: Understanding the 'Purpose and Character' of Appropriation Art" (2012) 24 SAclJ 832 at 846, para 20.

the very type of activity that the fair use doctrine intends to protect for the enrichment of society.

19.22 More importantly, the Ninth Circuit aligned itself with the Second Circuit in adopting the same formulation – whether “the quoted matter is used as raw material, transformed in the creation of new information, new aesthetics, new insights and understandings” – in *Seltzer v Green Day, Inc*<sup>42</sup> in the same year. But a recent decision of the Seventh Circuit was less enamoured with this approach.<sup>43</sup>

19.23 On the second factor, the court in *Global Yellow Pages (CA)* again referred to *Campbell*, commenting that the nature of the work draws on the “value of the materials used” and that some works are “closer to the core of intended copyright protection than others, with the consequence that fair use is more difficult to establish when the former works are copied” [references omitted].<sup>44</sup> In an absence of a transformative purpose or character, a finding of fair dealing is less likely in cases involving fiction-based (as opposed to fact-based) copyright works, because copyright protection is not as “thin”. The court found that GYP’s compilation works are largely fact-based and lie at the very edge of copyright protection, “having acquired the barest of copyright only by virtue of the arrangement of listings”.<sup>45</sup> The nature of the work favours a finding of fair dealing under s 35(2)(b) of the Copyright Act.

19.24 Regarding the third factor, the court also cited *Campbell*, stating that “the amount and substantiality of the portion used in relation to the copyrighted work, asks whether the quantity and value (that is, its qualitative importance) of the materials used are reasonable in relation to the purpose of the copying”.<sup>46</sup> On the facts, the court held that given the narrow way in which copyright subsists and the “thin” protection accorded to the GYP’s works, it would not be appropriate to place too much weight on the substantiality of the taking in relation to the whole work under s 35(2)(c) of the Copyright Act.

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42 725 F 3d 1170 at 1176 (9th Cir, 2013).

43 *Kienitz v Sconnie Nation LLC* 766 F 3d 756 at 758 (7th Cir, 2014): “We’re skeptical of *Cariou’s* approach, because asking exclusively whether something is ‘transformative’ not only replaces the list in [§ 107] but also could override 17 U.S.C. § 106(2), which protects derivative works.”

44 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [82], citing *Campbell v Acuff-Rose Music, Inc* 510 US 569 at 586 (1994).

45 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [89].

46 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [82], citing *Campbell v Acuff-Rose Music, Inc* 510 US 569 at 586–587 (1994).

19.25 On the fourth factor, the effect of the use on the potential market for the value of the copyrighted work, Menon CJ, referring to *Campbell*, was of the view that it requires the court to consider “not only the extent of market harm caused by” the alleged infringer’s action, but also whether the defendant’s conduct, if “unrestricted and widespread”, would “result in a substantially adverse impact on the potential market” for the original and derivative works.<sup>47</sup> The interplay between the fourth factor and the first factor is a controversial one, depending on one’s definition of a transformative market, a point which the court did not address. It has been observed that the “commerciality” of the secondary work (a consideration under the first factor of fair use) is a different analysis from the effect of the secondary use upon the potential commercial market for, or value of, the copyrighted work or its adaptations (a consideration under the fourth factor of fair use).<sup>48</sup> Moreover, it has been argued that in parody cases, courts should not so readily assume that no licensing market exists because of “the unlikelihood that creators of imaginative works will license critical reviews or lampoons of their own productions”,<sup>49</sup> as authors are increasingly willing to license ridicule or create self-parodies.<sup>50</sup>

19.26 In respect of the fifth factor, the possibility of obtaining the work within a reasonable time at an ordinary commercial price, it weighs against a finding of fair dealing if the defendant could have obtained the work on reasonable commercial terms. The court accepted Tan and Foo’s suggestion that it entails two inquiries: “whether the defendant made reasonable investigations into the possibility of obtaining the work on reasonable terms and, if it was possible to obtain the work on such terms, whether he attempted to so obtain it”.<sup>51</sup>

19.27 On the application of the fourth and fifth factors to the facts, the court held that the potential market for GYP’s works would not be usurped by such a dealing under s 35(2)(d) of the Copyright Act, and since the BL was distributed freely, there was no point in Promedia seeking a licence from GYP to photocopy or scan a copy of its BL, and

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47 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [82], citing *Campbell v Acuff-Rose Music, Inc* 510 US 569 at 590 (1994).

48 David Tan, “The Transformative Use Doctrine and Fair Dealing in Singapore: Understanding the ‘Purpose and Character’ of Appropriation Art” (2012) 24 SAclJ 832 at 864–865, para 47.

49 *Campbell v Acuff-Rose Music, Inc* 510 US 569 at 592 (1994).

50 David Tan & Benjamin Foo, “The Unbearable Lightness of Fair Dealing: Towards an Autochthonous Approach in Singapore” (2016) 28 SAclJ 124 at 155–156, para 42.

51 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [82], citing David Tan & Benjamin Foo, “The Unbearable Lightness of Fair Dealing: Towards an Autochthonous Approach in Singapore” (2016) 28 SAclJ 124 at 156–159, paras 44–47.

hence s 35(2)(e) would not disfavour a finding of fair dealing. On balance, the scanning and photocopying of the BL listings was fair dealing.<sup>52</sup>

*Whether Global Yellow Pages was liable for groundless threats of copyright infringement*

19.28 Section 200(1) of the Copyright Act 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 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”<sup>53</sup>

19.29 Wei J had examined a line of Australian cases in respect of a similar provision in the Australian Copyright Act 1968,<sup>54</sup> which have cast doubt on the position that liability for groundless threats is a strict one.<sup>55</sup> In finding that the counterclaim by Promedia for groundless threats succeeded, 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>56</sup> It was found that the “overbroad and unjustified allegations were *precisely* the type of threats that s 200 of the Copyright Act was meant to deter” [emphasis in original].<sup>57</sup>

19.30 Wei J’s decision was handed down four months before the Court of Appeal’s decision in *Singsung Pte Ltd v LG 26 Electronics Pte Ltd*<sup>58</sup> (“*Singsung*”), where the court set out the relevant considerations pertinent to the court granting discretionary relief upon a claim of a groundless threat founded on a failed allegation of infringement.

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52 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [90]. The court also commented that since the Green Book directories and the rest of the temporary database did not infringe any copyright in Global Yellow Pages’ directories, the issue of fair dealing did not arise in relation to those matters: at [91].

53 Copyright Act (Cap 63, 2006 Rev Ed) s 200(1).

54 Cth.

55 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2016] 2 SLR 165 at [413].

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

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

58 [2016] 4 SLR 86 at [148]–[149].

19.31 In *Singsung*, Menon CJ had surveyed a number of groundless threats provisions in intellectual property legislation in Singapore, the UK and Australia,<sup>59</sup> finding as follows:<sup>60</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 ...

19.32 Menon CJ’s had set out some guidelines in *Singsung* regarding when a groundless threat claim may succeed: (a) the court would 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];<sup>61</sup> (b) 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 Copyright Act” [emphasis in original];<sup>62</sup> and (c) in each case, the question of whether relief ought to be granted will be a fact-sensitive inquiry as to whether the action was warranted and whether any relief is required at all, taking into account also the cost consequences flowing from a failed claim.<sup>63</sup>

19.33 On the facts of the present case, the court reversed the finding of groundless threats of copyright infringement under s 200 of the Copyright Act, and was satisfied that the two letters of demand, in which the threats were allegedly found, “were neither unwarranted nor meant to chill Promedia’s legitimate activities”.<sup>64</sup> Menon CJ commented that although the court agreed with Promedia and Wei J that the threats were strictly speaking overbroad, this does not change the court’s conclusion for a number of reasons, one of which was an overly strict standard adopted by Wei J in so far as he held that a threat would be unjustifiable if it was not supported by “clear binding authority”.<sup>65</sup> Menon CJ was of the view that the “clear binding authority” standard would “potentially render every threat in penumbral cases unjustifiable and might discourage even incremental changes to the law”.<sup>66</sup>

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

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

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

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

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

64 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [104].

65 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [108].

66 *Global Yellow Pages Ltd v Promedia Directories Pte Ltd* [2017] 2 SLR 185 at [108].

## Trade marks

### **Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd<sup>67</sup> – Trade marks registration – Opposition**

19.34 The appellant, Ceramiche Caesar, was the registered proprietor of a trade mark “CAESAR” in Singapore for goods in Class 19. The respondent, Caesarstone Sdot-Yam (“Caesarstone”), applied to register a mark “CAESARSTONE” in Singapore. The application was specified for registration in Class 19, among others. Class 19 comprises non-metallic building materials such as tiles for covering, wall cladding and floor coverings.

19.35 Ceramiche Caesar objected to the Caesarstone’s application in Class 19 and commenced opposition proceedings against the respondent. The principal assistant registrar of trade marks (“PAR”) allowed the opposition on the grounds of s 8(2)(b) of the Trade Marks Act<sup>68</sup> (“TMA”) and s 8(4)(a) read with s 8(4)(b)(i) of the TMA. The respondent appealed to the High Court and Wei J allowed the appeal, finding that both grounds were not made out.<sup>69</sup>

19.36 Ceramiche Caesar appealed to the Court of Appeal on three issues: (a) whether, in appeals from the Trade Marks Registry, there was a threshold requirement for a “material error of fact or law” to be shown before appellate intervention was warranted (“Issue 1”); (b) whether the PAR erred in finding that the opposition under s 8(2)(b) of the TMA was not made out (“Issue 2”); and (c) whether the PAR erred in finding that the opposition under s 8(4)(a) read with s 8(4)(b)(i) of the TMA was not made out (“Issue 3”).

#### *Summary of the Court of Appeal’s decision*

19.37 Menon CJ, delivering a unanimous judgment, allowed the appeal.<sup>70</sup> With regard to Issue 1, it was held that there was no threshold requirement for a “material error of fact or law” to be shown before appellate intervention was warranted in appeals from the Trade Marks Registry. In respect of Issue 2, it was found that Wei J erred in finding that the opposition under s 8(2)(b) of the TMA was not made out; the marks were similar rather than dissimilar, and there existed a likelihood of confusion on the part of the public. On Issue 3, the court held that Wei J did not err in finding that the opposition under s 8(4)(a) read

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<sup>67</sup> [2017] 2 SLR 308.

<sup>68</sup> Cap 332, 2005 Rev Ed.

<sup>69</sup> *Caesarstone Sdot-Yam Ltd v Ceramiche Caesar SpA* [2016] 2 SLR 1129.

<sup>70</sup> *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308.

with s 8(4)(b)(i) of the TMA was not made out as the appellant's CAESAR Mark was not well-known in Singapore.

### *Threshold for appellate intervention*

19.38 Issue 1 concerned the threshold for appellate intervention in an appeal from a decision of the registrar at the Trade Marks Registry. Menon CJ was of the view that the Court of Appeal's earlier decision in *Future Enterprises Pte Ltd v McDonald's Corp*<sup>71</sup> ("*Future Enterprises*") was wrong on the point it had to be shown that there was a "material error of fact or law" in the PAR's decision before the court could interfere on appeal. Menon CJ pointed out that the court in *Future Enterprises* did not consider the effect of O 87 r 4(2) of the Rules of Court,<sup>72</sup> which expressly states that an appeal to the court from a decision of the PAR "shall be by way of rehearing", that is, it "directs the appellate court to hear the matter afresh".<sup>73</sup> The same words are used in O 57 r 3(1) of the Rules of Court<sup>74</sup> ("RoC"), which deals with appeals to the Court of Appeal.

19.39 The court also referred with approval to the observations by Chan Seng Onn J in *Valentino Globe BV v Pacific Rim Industries, Inc*:<sup>75</sup>

'By way of rehearing' in my view means that the Court is not constrained to determine only whether the tribunal's decision was proper and/or contained manifest errors of fact and law. If it wishes to, the Court in its discretion may consider the entire ream of evidence before it and venture beyond determining the propriety of the tribunal's decision or inquiring into whether there had been manifest errors of fact or law ...

19.40 In addition, Menon CJ was concerned that the requirement that there be a "material error of fact or law" [emphasis omitted] before appellate intervention is warranted implies that deference should be accorded to the PAR. Trade mark opposition proceedings "do not involve the exercise of a *discretion* [but] they involve questions of *legal correctness and entitlement*" [emphasis in original].<sup>76</sup> The court pointed out two categories of cases where an appellate court should not intervene unless there was a "material error of fact or law": (a) cases involving the exercise of a discretion where it is well-established that an

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71 [2007] 2 SLR(R) 845 at [5]–[7].

72 Cap 322, R 5, 2006 Rev Ed, which is worded identically in the current edition – Rules of Court (Cap 322, R 5, 2014 Rev Ed).

73 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [15].

74 Cap 322, R 5, 2014 Rev Ed.

75 [2009] 4 SLR(R) 577 at [11], referred to in *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [16].

76 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [17].

appellate court should not substitute the lower court or tribunal's decision with its own simply because it would have reached a different decision; and (b) cases where an appellate tribunal should not set aside a trial judge's finding of fact, based as it is on evidence of witnesses, unless the appellant satisfies the appellate tribunal that the trial judge is plainly wrong because the trial judge is in a better position to evaluate the veracity and credibility of witnesses giving oral evidence.<sup>77</sup>

19.41 The present case does not fall into these categories as there was no trial and no oral evidence given at any level of hearing, and all the evidence was tendered by way of statutory declarations only. The court declared that "where only written evidence is involved, an appellate court will be in as good a position as the trial court to make its own evaluation from the primary facts".<sup>78</sup>

*Opposition under section 8(2)(b) of Trade Marks Act – Whether there is likelihood of confusion*

19.42 Issue 2 concerned the ground of opposition under s 8(2)(b) of the TMA, which provides that a trade mark shall not be registered if there exists a likelihood of confusion on the part of the public because it is similar to an earlier trade mark and is to be registered for goods or services identical with or similar to those for which the earlier trade mark is protected. The court affirmed the approach in *Staywell Hospitality Group Pty Ltd v Starwood Hotels & Resorts Worldwide, Inc*<sup>79</sup> ("*Staywell*") that the three requirements of (a) similarity of marks, (b) similarity (or identity) of goods or services, and (c) likelihood of confusion arising from the two similarities are to be assessed systematically. In particular, the first two elements are assessed individually before the final element, which is assessed in the round.

19.43 The court allowed the appeal on this issue, concluding that the marks are similar rather than dissimilar. More specifically, there was, as between the appellant's CAESAR Mark and the respondent's CAESARSTONE Mark, a moderate level of visual similarity and a high level of aural similarity. As far as conceptual similarity is concerned, this was either neutral or a high level of conceptual similarity; but in any event, there was no basis for finding any conceptual dissimilarity.<sup>80</sup> On the whole, the court held that there exists a likelihood of confusion on the part of the public considering that (a) the nature of the goods, on the whole, points towards a likelihood of confusion, (b) the mode of

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77 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [20]–[22].

78 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [23].

79 [2014] 1 SLR 911 at [15].

80 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [32]–[55].

purchase is, at best, a neutral factor, and (c) the similarity of marks points towards a likelihood of confusion, as does the similarity of goods.<sup>81</sup>

19.44 Regarding marks similarity, Menon CJ reiterated that the “visual similarity of two contesting marks or signs must normally be assessed by reference to the overall impressions created by the marks or signs, bearing in mind their distinctive and dominant components”.<sup>82</sup> The overall impressions conveyed to the public by a composite trade mark may, in certain circumstances, be dominated by one or more of its components. In this case, Menon CJ thought that the device component of the CAESARSTONE Mark appears not only to be a “somewhat insignificant component” of the mark but a simple one “made up of a series of three crescents” which “does not evoke any particular concept in the eyes of the average consumer”; in sum, it is “more likely to be perceived as a decorative element rather than as an element indicating commercial origin”.<sup>83</sup> The word “stone” in the CAESARSTONE Mark was found to be merely descriptive of the goods in Class 19 and the presence of such a descriptive element could not fairly be regarded as being effective to displace similarity.<sup>84</sup> A high level of aural similarity was also found as the dominant component of both marks was the word “caesar”.<sup>85</sup> On conceptual similarity, the court expressed its doubts that the appellant’s CAESAR Mark “necessarily conveys the idea of supremacy, power, and authority in the context of Class 19 goods”, and concluded that “[to] the extent that both marks do not offer a clear concept, it cannot be said that the marks are conceptually *dissimilar*; the most that can be said is that this is a neutral consideration” [emphasis in original].<sup>86</sup> On the other hand, the court observed that even if it accepted that the appellant’s CAESAR Mark conveys the idea of supremacy, power, and authority, the same idea would be conveyed by the respondent’s CAESARSTONE Mark; the finding, therefore, would be a high level of conceptual similarity.<sup>87</sup>

19.45 On the likelihood of confusion inquiry, Menon CJ emphasised that the *Staywell* approach “directs the court to look at (a) how similar the marks are; (b) how similar the goods or services are; and (c) *given this*, how likely it is that the relevant segment of the public will be

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81 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [92].

82 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [34], citing *Hai Tong Co (Pte) Ltd v Ventree Singapore Pte Ltd* [2013] 2 SLR 941 at [62(b)].

83 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [37]–[38].

84 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [41].

85 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [47].

86 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [52].

87 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [53].

confused” [emphasis added].<sup>88</sup> Menon CJ clarified that the test to be adopted in determining the likelihood of confusion is “whether a substantial portion of the relevant public will be confused”<sup>89</sup> and that there were four relevant factors in this instance: (a) the nature of the goods; (b) the mode of purchase; (c) the similarity of marks; and (d) the similarity of goods and services. Of particular note is the court’s observation that “consumer indifference towards the mark used in relation to the relevant goods or services *does not preclude* the question of a likelihood of confusion from arising” [emphasis in original].<sup>90</sup> The court explained:<sup>91</sup>

[A] trader has a real interest in being identified as the origin of the goods or services bearing his mark. Once this function of trade mark law is appreciated, it becomes evident that the reference to a ‘likelihood of confusion’ in s 8(2) of the TMA refers really to a likelihood that the public will be *unable to differentiate* between the trade origins of the goods or services bearing the competing marks ... The inquiry into a likelihood of confusion therefore revolves around the *ability or inability to differentiate* between trade origins. Accordingly, consumer indifference (or otherwise) towards the mark used in relation to the relevant goods or services might be relevant *to the extent that it impacts this inquiry* ... [emphasis in original]

19.46 Finally, the court cautioned that the “entire trade mark regime would be seriously undermined if a finding of a likelihood of confusion were excluded every time it was thought there was consumer indifference towards the competing marks because of the nature of the relevant goods or services”.<sup>92</sup> This would lead to a ludicrous outcome in that in the case of s 8(2)(b) of the TMA, as against an incumbent trader, new traders would be free to apply confusingly similar marks on identical or similar goods or services with impunity.

*Opposition under section 8(4)(a) read with section 8(4)(b)(i) of Trade Marks Act – Whether earlier mark is well-known in Singapore*

19.47 Issue 3 concerned the ground of opposition under s 8(4)(a) read with s 8(4)(b)(i) of the TMA. The four elements which need to be shown for an opposition under this ground are (a) the marks are identical or similar, (b) the earlier mark is well-known in Singapore, (c) the use of the applicant mark would indicate a connection between the applicant’s

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88 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [56].

89 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [57], referring to *Sarika Connoisseur Cafe Pte Ltd v Ferrero SpA* [2013] 1 SLR 531 at [57] and *Mobil Petroleum Co, Inc v Hyundai Mobis* [2010] 1 SLR 512 at [77]–[82].

90 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [71].

91 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [77].

92 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [78].

goods/services and the incumbent proprietor, and (d) the connection is likely to damage the interests of the proprietor. The main dispute in the present appeal concerned the second element, the question being whether the appellant's CAESAR Mark is well-known in Singapore.

19.48 The court held that the starting point of the analysis of this element is ss 2(7) and 2(8) of the TMA, and that the factors enumerated in s 2(7) were not exhaustive.<sup>93</sup> Menon CJ explained that although it was said in *Novelty Pte Ltd v Amanresorts Ltd*<sup>94</sup> that it is “not too difficult” for a trade mark to be regarded as well-known in Singapore, the principle is.<sup>95</sup>

[In] order for a mark to be well known in Singapore, the relevant sector to which a mark must be shown to be well known can be *any* relevant sector of the Singaporean public, and this sector need not be large in size. Beyond this, it should not be read as suggesting (more generally) that the threshold for a trade mark to be regarded as well known in Singapore is a low one. [emphasis in original]

19.49 This observation appears to be inconsistent with *City Chain Stores (S) v Louis Vuitton Malletier*,<sup>96</sup> which clearly established that “the test ‘well known to the public at large in Singapore’ must mean more than just ‘well known in Singapore’”, and the mark “must be recognised by *most* sectors of the public though ... [not] all sectors of the public” [emphasis added].<sup>97</sup> Chao Hick Tin JA (as his Honour then was) delivering the judgment of the court in that case also commented that this approach to evaluating a well-known mark “would be in line with the US approach in determining famous marks”.<sup>98</sup> In that case, it was held that although the Louis Vuitton Flower Quatrefoil mark has been registered in many countries and the duration of the registration has been substantial, that did not *per se* prove that it was well-known, particularly in Singapore. Moreover, the Court of Appeal had previously commented that well-known marks should form “a rare and exclusive class” because they are entitled to protection from use of a defendant’s trade mark on dissimilar goods or services even in the absence of a likelihood of confusion.<sup>99</sup>

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93 *Ceramiche Caesar v SpA Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [98], referring to *Novelty Pte Ltd v Amanresorts Ltd* [2009] 3 SLR(R) 216 at [137] and [139]–[140].

94 [2009] 3 SLR(R) 216 at [229].

95 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [102].

96 [2010] 1 SLR 382.

97 *City Chain Stores (S) v Louis Vuitton Malletier* [2010] 1 SLR 382 at [94].

98 *City Chain Stores (S) v Louis Vuitton Malletier* [2010] 1 SLR 382 at [94], referring to Trademark Act 15 USC (US) § 43(c)(2)(A) (1946).

99 *City Chain Stores (S) v Louis Vuitton Malletier* [2010] 1 SLR 382 at [88], citing *Novelty Pte Ltd v Amanresorts Ltd* [2009] 3 SLR(R) 216 at [233].

19.50 On the facts, the court in the present case found Ceramiche Caesar's sales figures, promotional expenditure figures, Italian website, invoices and marketing materials, as well as its overseas registrations of mark and successful enforcement of rights, all fail to establish that the CAESAR Mark was well-known in Singapore. In particular, the court commented, "[the] fact that a trader has some business within Singapore will generally be insufficient in itself to establish that the mark is well known"<sup>100</sup>.

***What constitutes "import" – Trade mark liability of freight forwarders – Louis Vuitton Malletier v Megastar Shipping Pte Ltd***<sup>101</sup>

19.51 This decision arose from claims for trade mark infringement by various trade mark proprietors ("the plaintiffs") against a Singapore-incorporated transshipping, freight-forwarding company, Megastar Shipping Pte Ltd ("the defendant"). The claims arose out of two shipments by which two containers ("the Containers") loaded with counterfeit goods were shipped from two ports in China to Singapore, with the intention that they were to be sent on to the third party in Batam. The Containers were intercepted by Singapore Customs and detained, inspected and seized. Upon examination, the Containers were discovered to contain merchandise bearing infringing trade marks ("the Counterfeit Goods"). After seizure by Singapore Customs, the plaintiffs commenced proceedings for trade mark infringement against the defendant, alleging that the defendant had imported the Counterfeit Goods into Singapore. The defendant denied importing the Counterfeit Goods into Singapore, and asserted that even if the Counterfeit Goods had been imported into Singapore, the defendant was, in any case, not the importer.

19.52 The High Court held that the defendant was not the importer or liable as joint tortfeasor for the importation and the claims against the defendant were dismissed.

*Whether Counterfeit Goods were imported into Singapore within meaning of section 27(4)(c) of Trade Marks Act*

19.53 Under s 27(4)(c) of the TMA, a person uses a sign if, in particular, he imports or exports goods under the sign. The defendant argued, amongst other things, that there was no act of importation since the Counterfeit Goods were not meant for circulation in the Singapore market.<sup>102</sup> The defendant also argued that the use of the relevant

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100 *Ceramiche Caesar SpA v Caesarstone Sdot-Yam Ltd* [2017] 2 SLR 308 at [114].

101 [2017] SGHC 305.

102 *Louis Vuitton Malletier v Megastar Shipping Pte Ltd* [2017] SGHC 305 at [128].

plaintiffs' trade marks was not in the course of trade as required for proving infringement, since the Counterfeit Goods were loaded inside sealed containers and, but for the inspection in Singapore, would never have been exposed to view in Singapore.<sup>103</sup>

19.54 The High Court found that that the term "import" in s 27(4)(c) bears the meaning that is given to that term under s 2(1) of the Interpretation Act<sup>104</sup> – that is, to bring or cause to be brought into Singapore by land sea or air – subject to the limitation that importing will not give rise to liability for infringement if it is not done "in the course of trade". The High Court found that the Counterfeit Goods were imported into Singapore within the meaning of s 27(4)(c), and that this was done "in the course of trade".<sup>105</sup> The High Court took the view that the term "import" in s 27(4)(c) does not require that the goods must be intended for free circulation in the Singapore market<sup>106</sup> as the Singapore courts, like the European Court of Justice, have held that the essential function of a trade mark is to guarantee the origin of the origin of goods and services.<sup>107</sup>

#### *Whether defendant was "importer"*

19.55 The High Court found that the importer of the Counterfeit Goods was either the shippers in China or the third party, who was the ultimate consignee in Batam. It was apparent to the court that the only persons who were interested in the property in the goods were the shippers and the third party.<sup>108</sup> In contrast, the defendant was likely dealing with the third party, who was also an agent or freight forwarder. While the underlying transaction between the shippers and the third party was unclear, there is no doubt that the defendant was not the party who caused the Counterfeit Goods to be brought into Singapore. The fact that the defendant as freight forwarder was named as the consignee in the sea waybills and was required to submit or make declarations under Singapore customs rules and regulations does not mean the defendant is to be treated as an importer or exporter for the purposes of the TMA. This is so even though some of the customs permits and declarations may name the defendant as an importer.<sup>109</sup>

19.56 The goods were stored in sealed containers and the High Court found nothing to show that the defendant had a common design with

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103 *Louis Vuitton Malletier v Megastar Shipping Pte Ltd* [2017] SGHC 305 at [140].

104 Cap 1, 2002 Rev Ed.

105 *Louis Vuitton Malletier v Megastar Shipping Pte Ltd* [2017] SGHC 305 at [146].

106 *Louis Vuitton Malletier v Megastar Shipping Pte Ltd* [2017] SGHC 305 at [142].

107 *Louis Vuitton Malletier v Megastar Shipping Pte Ltd* [2017] SGHC 305 at [140].

108 *Louis Vuitton Malletier v Megastar Shipping Pte Ltd* [2017] SGHC 305 at [163].

109 *Louis Vuitton Malletier v Megastar Shipping Pte Ltd* [2017] SGHC 305 at [189].

the importer to infringe the plaintiffs' trade marks. The steps required of the defendant were largely concerned with documentation and entry of the necessary details into the Portnet system. The transshipment process did not entail the defendant taking physical possession or control of the containers or their contents.<sup>110</sup>

19.57 The High Court also noted that care must be taken when identifying the "importer". If a carrier is held to be an importer or a joint importer simply because the goods were transitorily under their control in circumstances when he has no knowledge of the relevant intellectual property rights and the consignment, the consequences would be far-reaching, and the same is true of freight forwarders.<sup>111</sup>

*Whether defendant was liable for "exporting" under "the sign"*

19.58 The High Court held that a mere intention to export does not suffice to constitute "use" under s 27(4)(c) of the TMA, as s 27(4)(c) provides that there is "use" if a person "imports or exports goods under the sign".<sup>112</sup> The defendant was not the exporter of the Counterfeit Goods. It was engaged as freight forwarder by the third party for the limited purpose of arranging for transshipment, but all the preparations and instructions for the onward shipment of the Counterfeit Goods came from the third party. The defendant did not act in concert with or have or shared a common design with either the shippers or the third party (or indeed anyone else) to commit acts that amount to infringement.<sup>113</sup>

## Patents

### ***Amendment of Patent Claims – Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd*<sup>114</sup> ("Warner-Lambert")**

19.59 The Court of Appeal had occasion to examine the permissibility of "Swiss-style" claims (which hitherto had yet to be considered by the Singapore Courts)<sup>115</sup> and second medical use in the context of Warner-Lambert's application to amend a patent that exerted a monopoly over the use of pregabalin for the treatment of pain ("the Patent"). Under the Medicines Act,<sup>116</sup> Warner-Lambert received various

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110 *Louis Vuitton Malletier v Megastar Shipping Pte Ltd* [2017] SGHC 305 at [169].

111 *Louis Vuitton Malletier v Megastar Shipping Pte Ltd* [2017] SGHC 305 at [160].

112 *Louis Vuitton Malletier v Megastar Shipping Pte Ltd* [2017] SGHC 305 at [181].

113 *Louis Vuitton Malletier v Megastar Shipping Pte Ltd* [2017] SGHC 305 at [189].

114 [2017] 2 SLR 707.

115 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2017] 2 SLR 707 at [70].

116 Cap 176, 1985 Rev Ed.

notices of the respondent's applications for product licences in respect of generic versions of the Patent. Warner-Lambert commenced patent infringement proceedings within the statutory period, seeking, *inter alia*, a declaration that the Patent would be infringed by the respondent if it performed the acts for which the product were sought. The Patent, as originally filed, contained a claim to a method of treatment,<sup>117</sup> and Warner-Lambert applied to amend the Patent to cure the inherent invalidity of the claims of the Patent. The appellants sought to apply for leave to amend the patent under s 83(1) of the Patents Act.<sup>118</sup> The proposed amendments comprised a change from a method of treatment claim to a "Swiss-style" claim, which took the following form: "the use of a compound X in the manufacture of a medicament for a specified (and new) therapeutic use Y".

19.60 The High Court dismissed Warner-Lambert's application.<sup>119</sup> The learned High Court judge took the view that the amendments, if granted, would extend the scope of the Patent. The learned judge also found that there had been undue delay by the appellant in seeking the amendments. Leave to appeal the High Court decision was given.

19.61 The Court of Appeal dismissed Warner-Lambert's appeal. For applications for amendment that are brought under s 83 of the Patents Act (in any proceedings before the court or the Registrar of Patents in which the validity of the patent is put in issue), the court's power to allow an amendment is curtailed by s 84(3) of the Patents Act. This section precluded amendments that resulted in the disclosure of additional matter or extension of the scope of protection conferred by the Patent. The court also stated that any amendments sought must also satisfy the "base-line" criteria provided in s 25(5) of the Patents Act.<sup>120</sup>

- (a) define the matter for which the applicant seeks protection;
- (b) be clear and concise;
- (c) be supported by the description; and
- (d) relate to one invention or to a group of inventions which are so linked as to form a single inventive concept.

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117 Under s 16(2) of the Patents Act (Cap 221, 2005 Rev Ed), an invention of a method of treatment of the human or animal body by surgery or therapy or of diagnosis practised on the human or animal body shall not be taken to be capable of industrial application.

118 Cap 221, 2005 Rev Ed.

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

120 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2017] 2 SLR 707 at [34]–[35].

19.62 Distilling the principles of decided cases,<sup>121</sup> the Court of Appeal set down the considerations that should be followed when deciding whether to allow an amendment of patent specifications. The relevant factors are as follows:

- (a) whether the patentee had disclosed all the relevant information with regard to the amendments;
- (b) whether the amendments were permitted in accordance with the statutory requirements;
- (c) whether the patentee delayed in seeking the amendments (and, if so, whether there were reasonable grounds for such delay);
- (d) whether the patentee had sought to obtain an unfair advantage from the patent; and
- (e) whether the conduct of the patentee discouraged the amendment of the patent.<sup>122</sup>

### *Delay and discretion*

19.63 In upholding the High Court judge's decision, the Court of Appeal held that the judge was justified in holding that there was undue delay on the part of the appellant in seeking the amendments.<sup>123</sup> In matters concerning the exercise of discretion, the Court of Appeal stated that an appellate court would be slow to substitute its decision for that of the lower court. Recognising that the standard for overturning a judge's exercise of discretion is a "high one", the court cited *Lian Soon Construction Pte Ltd v Guan Qian Realty Pte Ltd*<sup>124</sup> with approval.<sup>125</sup>

It is trite law that an appeal against the exercise of a judge's discretion will not be entertained unless it be shown that he exercised his discretion under a mistake of law, in disregard of principle, under a misapprehension as to the facts, or that he took account of irrelevant matters, or the decision reached was 'outside the generous ambit within which a reasonable disagreement is possible' ...

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121 *Smith Kline & French Laboratories Ltd v Evans Medical Ltd* [1989] FSR 561 at 569, applied by the Singapore Court of Appeal in *FE Global Electronics Pte Ltd v Trek Technology (Singapore) Pte Ltd* [2006] 1 SLR(R) 874 at [29] and the High Court in *Novartis AG v Ranbaxy (Malaysia) Sdn Bhd* [2013] 2 SLR 117 at [9].

122 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2017] 2 SLR 707 at [37].

123 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2017] 2 SLR 707 at [40] and [53]–[56].

124 [1999] 1 SLR(R) 1053 at [34].

125 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2017] 2 SLR 707 at [38].

*Extension of scope and invalidity*

19.64 The Court of Appeal held that it should disallow an amendment to patent claims where the patent was invalid to begin with. As such, it was an artificial exercise to consider whether the proposed amendments extended the scope of protection conferred. As the granted claims were method of treatment claims and obviously invalid, the amendments were disallowed. In a self-assessment regime under which the patent was granted, the court drew a distinction between the situation where a patent is obviously invalid and a situation where a patent is potentially invalid on the ground that it may have been anticipated by prior art or otherwise. In the latter scenario, the amendment that was sought would clarify the claims to ensure continued validity. As such, potential invalidity of the patent should not be an impediment to amendment because the claims in the patent are, on their face, deserving of some degree of protection.<sup>126</sup>

19.65 On arguments relating to invalidity, the court recognised that it was generally inappropriate for issues of validity to be heard together with an amendment application. Where the amended claims would be obviously invalid, the court could exercise its discretion to disallow the amendment. The court did say that this did not apply to the amendments in question, as Swiss-style claims had yet to be considered by the Singapore courts.<sup>127</sup>

19.66 The Court of Appeal disallowed the amendments that were sought by the appellant, as they would extend the scope of the Patent. The manufacture of the medicament was not within the original scope of protection and so there would clearly have been an extension of scope, if the amendments were allowed.<sup>128</sup> The court also referred to the UK Court of Appeal decision in relation to the UK corresponding patent to that in the appeal, *Warner-Lambert Co LLC v Actavis Group PTC EHF*.<sup>129</sup> The English Court of Appeal had considered what amounted to infringement of a Swiss-style claim, and concluded that the technical subject matter of the Swiss-style claim was the making of pregabalin for patients to whom it will be intentionally administered for treating pain, but did not include the step of actually using pregabalin for treating pain. Based on this approach, the skilled reader's construction of the essential feature of the proposed amended claims involves a link between the act of manufacture and the ultimate intentional use of the drug by the end-user to treat pain, rather than a

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126 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2017] 2 SLR 707 at [62].

127 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2017] 2 SLR 707 at [70].

128 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2017] 2 SLR 707 at [74].

129 [2015] EWCA Civ 556.

new therapeutic use of the drug itself (which is covered by the existing claims).<sup>130</sup>

*Observations about section 14(7) of Patents Act and protection of subsequent medical uses*

19.67 The Court of Appeal provided some guidance as to the patentability of second and subsequent medical uses under s 14(7) of the Patents Act. Section 14(7) states:

In the case of an invention consisting of a substance or composition for use in a method of treatment of the human or animal body by surgery or therapy or of diagnosis practised on the human or animal body, the fact that the substance or composition forms part of the state of the art shall not prevent the invention from being taken to be new if the use of the substance or composition in any such method does not form part of the state of the art.

19.68 The Court of Appeal stated that the provision clearly recognises new uses of known substances as long as they do not form part of the state of the art.<sup>131</sup> The court opined:<sup>132</sup>

We therefore find it highly persuasive that s 14(7) enables the patenting of second and subsequent uses of a known substance. If this is correct, then inventors really do not need to resort to Swiss-style claims, which, as the Judge described aptly at [40] of the Judgment, involve a ‘fiction (implicit) behind the finding of novelty in the method of manufacture on the basis of a new therapeutic use’.

19.69 An important point to bear in mind in the future is the Court of Appeal has also stated its receptivity towards framing claims for second and subsequent medical uses of a known substance within a purpose-limited product claim. At the same time, this is not to say that Swiss-type claims are eschewed completely.

*Validity of Swiss-style claims*

19.70 The court discussed in detail the evolution of Swiss-style claims, and observed how they were developed in Europe to overcome the perceived legal difficulties in recognising new uses of known pharmaceutical products. Such difficulties were (a) the inventor of the new use of a known pharmaceutical compound is unable to assert patent protection over the pharmaceutical compound in the form of a product claim because the compound is known and already a part of the prior

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130 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2017] 2 SLR 707 at [76].

131 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2017] 2 SLR 707 at [84].

132 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2017] 2 SLR 707 at [88].

art; and (b) the inventor of the new use of a known pharmaceutical compound is also unable to patent the use of the compound as a method of treatment claim due to statutory exclusions.<sup>133</sup>

19.71 After a detailed discussion on the genesis and practical difficulties in recognising Swiss-style claims and enforcing them in infringement actions,<sup>134</sup> the court noted that Swiss-style claims are allowed by the Intellectual Property Office of Singapore.<sup>135</sup> While the court saw no reason to disagree with the validity of such claims at this stage, it concluded:<sup>136</sup>

While we see no reason to disagree with the validity of such claims at this stage, we think they are merely a novel and perhaps questionable way of getting around what has been perceived to be the meaning of s 14(7) of the Patents Act. If s 14(7) is given the meaning that we have discussed earlier, the need for Swiss-style claims in Singapore would probably cease.

### ***Rectification of Patent Register – Novartis (Singapore) Pte Ltd v Bristol-Myers Squibb Pharma Co***<sup>137</sup>

19.72 In *Novartis (Singapore) Pte Ltd v Bristol-Myers Squibb Pharma Co*, the High Court considered Novartis's application that the Registrar of Patents ("the Registrar") should not have allowed various corrections that were made to patent entries in the patent register, on the application of Bristol-Myers. An action was commenced by Bristol-Myers following Novartis's product licence application under the Medicines Act. In its High Court action, Bristol-Myers sought, *inter alia*, a declaration that the acts for which the Product Licence was sought would infringe the Singapore patents, and an injunction to enjoin the infringement. The patent in suit derived from an earlier US patent application for a similar invention. After the defence was filed, Bristol-Myers investigated the prosecution history of its patent and discovered that an error had been made during the application process, specifically the patent form, PF1. This error was the entry of the wrong earlier US application number into the relevant forms.

19.73 Bristol-Myers filed requests to the Registrar to correct the entries in the patents register so as to reflect the correct US patent

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133 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2017] 2 SLR 707 at [90].

134 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2017] 2 SLR 707 at [91]–[96].

135 See Intellectual Property Office of Singapore, "Examination Guidelines for Patent Applications at IPOS" (14 February 2014).

136 *Warner-Lambert Co LLC v Novartis (Singapore) Pte Ltd* [2017] 2 SLR 707 at [96].

137 [2018] 3 SLR 1194.

application number in support of the claimed priority date. This correction impacted the applications for four Singapore granted patents. The Registrar allowed the corrections. Novartis was informed of the corrections, and also apprised of s 44 of the Patents Act. Section 44 of the Patents Act provides:

- (1) The court may, on the application of any person aggrieved, order the register to be rectified by the making, or the variation or deletion, of any entry in it.
- (2) In proceedings under this section, the court may determine any question which may be necessary or expedient to decide in connection with the rectification of the register.

19.74 Novartis brought an application under s 44 of the Patents Act, arguing that the Register should be rectified by reversing the decision and deleting the corrections in their entirety. It relied on the following grounds:

- (a) The filing of the requests were procedurally irregular as they should have been made under r 91 and not r 58 of the Patents Rules.<sup>[138]</sup>
- (b) The errors for which corrections were sought were not simple and obvious errors.
- (c) The requests were made in bad faith.
- (d) There was undue delay on Bristol-Myers's part in making the requests.

19.75 In response, Bristol-Myers argued that Novartis had failed to make a case under s 44 of the Patents Act. Its error was "clerical" in nature, and no prejudice was occasioned. The error would have been manifestly obvious to a reader on a proper inspection of the file record and prosecution history. It denied bad faith in pursuing the corrections.<sup>139</sup>

19.76 With detailed reasons, the High Court allowed Novartis' application. It ruled that:

- (a) Bristol-Myers was entitled to make the request to correct the entry in the Register as to the application number for the declared priority date under r 58 of the Patents Rules. [The court found that the] request was not made in bad faith.
- (b) The request to correct the entry in the Register should not have been granted since the Register had accurately set out the earlier

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138 Cap 221, R 1, 2007 Rev Ed.

139 *Novartis (Singapore) Pte Ltd v Bristol-Myers Squibb Pharma Co* [2018] 3 SLR 1194 at [52]–[55].

application number as set out in the published applications and the forms that had been filed.

(c) Bristol-Myers was not entitled to seek correction to the entries in the application forms under r 58.

(d) The correct procedure for correcting the error in the application forms is under s 107 of the Patents Act and r 91 of the Patents Rules. [Nevertheless, the court refused the applicant's request for the following reasons: (i) the request for corrections came too late (after 15 years); (ii) the request was not supported by exceptional grounds.]

### *Rule 58 of Patents Rules*

19.77 Rule 58 of the Patents Rules provides that a request for the correction of each error in the Register or in any document filed at the Registry of Patents in connection with registration shall be made on Form CM4, and the correction shall be clearly identified on a document filed together with the form or, if not, on the form itself. The court queried whether the request for a patent by way of PF1 was indeed a document that is filed in connection with the registration of an entry in the Register. PF1 is certainly a key document that starts the application process which eventually leads to the grant of the patent under s 30 of the Patents Act. It was noted that the entry of particulars in the Register is distinct and separate from the actual grant of the patent.<sup>140</sup> The court expressed the view that PF1 is a document that is required in connection with the application for grant of a patent. It is not as such, "a document filed at the Registry in connection with registration".<sup>141</sup>

19.78 The court noted that the request that was made in this case was to correct the error in the US patent application number. There was no change to the date of the filing. The court did not agree that an error had been made and the correction was made under r 58 of the Patents Rules. The entry in the Register accurately recorded the application number of the earlier US patent application as declared in PF1. The error or mistake was in the application number as set out in the forms. This error permeated through the international application upon which the Singapore applications are based. In totality, they were not simple errors in the Register within the meaning of r 58.<sup>142</sup> Whilst the procedure under r 58 was simple and did not require notification to

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140 *Novartis (Singapore) Pte Ltd v Bristol-Myers Squibb Pharma Co* [2018] 3 SLR 1194 at [100].

141 *Novartis (Singapore) Pte Ltd v Bristol-Myers Squibb Pharma Co* [2018] 3 SLR 1194 at [104].

142 *Novartis (Singapore) Pte Ltd v Bristol-Myers Squibb Pharma Co* [2018] 3 SLR 1194 at [118]–[119].

other parties, the court concluded that the discretion to correct was wrongly exercised by the Registrar. There was no error in the entries in the Register (unlike the underlying forms). The court held that Novartis, as an aggrieved party, has a right under s 44(1) of the Patents Act to apply for rectification of the Register by deletion of the correction that was made to the Register.<sup>143</sup>

### *Rule 91 of Patents Rules*

19.79 Rule 91 provides that unless the Registrar directs otherwise, a request for the correction of an error of translation or transcription or of a clerical error or mistake in any specification of a patent, in an application for a patent or in any document filed in connection with a patent or such an application, shall be made on Form CM4.

19.80 Bristol-Myers also argued that it was also entitled to seek correction of the relevant entries under r 91 of the Patents Rules. Section 44(2) of the Patents Act confers on the court the right to determine any question, which may be necessary or expedient to decide in connection with the application for rectification.

19.81 The court considered European Patent Office (“EPO”) decisions,<sup>144</sup> as well as the position under the UK Patents Act 1977.<sup>145</sup> It recognised that the decisions of EPO and its Boards of Appeal are not binding in Singapore, but carry some persuasive value. There are notable differences, for example, r 88 of the European Patent Convention 1973 is not the same as r 91 of the Patents Rules. The Singapore patents regime also does not provide a procedure whereby a third party can bring opposition proceedings after publication of the application before grant.<sup>146</sup>

19.82 The court noted that whilst it is true that there is nothing in the published applications or the entries in the Register that would indicate an error had been made in the US application number, any third party inspecting the files for the divisional application after 24 March and 1 April 2005 would have discovered the error since the granted US patent had been included by this time.<sup>147</sup>

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143 *Novartis (Singapore) Pte Ltd v Bristol-Myers Squibb Pharma Co* [2018] 3 SLR 1194 at [123].

144 The principles are summarised in *Novartis (Singapore) Pte Ltd v Bristol-Myers Squibb Pharma Co* [2018] 3 SLR 1194 at [150].

145 c 37.

146 *Novartis (Singapore) Pte Ltd v Bristol-Myers Squibb Pharma Co* [2018] 3 SLR 1194 at [154].

147 *Novartis (Singapore) Pte Ltd v Bristol-Myers Squibb Pharma Co* [2018] 3 SLR 1194 at [178].

19.83 The court held that even if a request had been made to correct the entries in the forms under r 91 of the Patents Rules, that request came too late (as the error was not corrected for 15 years), and the request was not supported by exceptional grounds.<sup>148</sup> The general rule is that the priority date for assessing validity against the state of the art is the date the application was filed in Singapore. If the applicant wishes to claim the benefit of an earlier date by reference to an earlier qualifying application, he should bear the burden of making the declaration. This is required under s 17(2) of the Patents Act.

***High Court has no jurisdiction to revoke patent that has been put in issue – Sun Electric Pte Ltd v Sunseap Group Pte Ltd*<sup>149</sup> (“Sun Electric”)**

19.84 In *Sun Electric*, the plaintiff made an application under O 18 r 19 of the RoC to strike out certain parts of the amended defence and counterclaim, and particulars of objection. In this patent infringement proceeding, not all claims were asserted. In proceedings below, the learned assistant registrar ruled that unasserted patent claims could not be put into issue, whether by way of defence or by way of counterclaim for groundless threats of infringement proceedings under s 82(1)(b) of the Patents Act. The learned asst registrar held that revocation proceedings could be commenced in the High Court by way of counterclaim. These revocation proceedings allowed the defendant to put *any* claims (whether asserted or unasserted) in issue through its counterclaim for revocation.

19.85 On appeal to the High Court, the plaintiff raised the substantive issue of whether patent revocation proceedings can be properly brought before the High Court at first instance, by way of counterclaim in infringement proceedings before the court. The learned judge recognised that although the defendants cited a number of cases in which the court had, in previous decisions, heard patent revocation proceedings at first instance, this specific question has never been raised or examined by the courts.<sup>150</sup>

19.86 The High Court held that it does not have the jurisdiction to hear revocation proceedings or to grant an order for revocation by counterclaim. The appeal was allowed.

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148 *Novartis (Singapore) Pte Ltd v Bristol-Myers Squibb Pharma Co* [2018] 3 SLR 1194 at [188].

149 [2017] SGHC 232.

150 *Sun Electric Pte Ltd v Sunseap Group Pte Ltd* [2017] SGHC 232 at [2].

19.87 The court made several observations:

(a) There was no express provision in the Patents Act that conferred original jurisdiction upon the High Court to hear revocation proceedings by application, or to grant a prayer for revocation whether or not by way of counterclaim in infringement proceedings. Section 80(1) of the Patents Act expressly provides that the Registrar of Patents may revoke a patent, and is entirely silent as to whether the court may do so. No powers of the Registrar in respect of application for patent revocation under s 80 are vested in the court by virtue of s 91(1) of the Patents Act.<sup>151</sup>

(b) Section 82(7) of the Patents Act provides that where proceedings with respect to a patent are pending in the court under any provision of this Act mentioned in s 82(1), no proceeding may be instituted without the leave of the court before the Registrar with respect to that patent under s 67(3), 76, 78 or 80. Whilst this provision prevented “duplicative” proceedings before the court and the Registrar, it did not suggest that Parliament intended the court to have original jurisdiction over revocation proceedings.<sup>152</sup>

(c) There is an absence of provisions that are equivalent to s 72(7) of the UK Patents Act 1977 (which provides that a party generally may not make an application to court when there are pending revocation proceedings before the comptroller. The inclusion of s 82(7) of the Patents Act, while omitting any provision similar to s 72(7) of the UK Patents Act 1977, “in fact makes it ... more likely that Parliament did not intend to vest the court with original jurisdiction to hear and determine revocation applications”.<sup>153</sup>

(d) Section 91(1) of the Patents Act provides the High Court with appellate jurisdiction over the Registrar’s decisions. This section only conferred powers for the purposes of exercising appellate powers only. It did not go so far as to confer the jurisdiction of the Registrar to hear revocation proceedings in its original jurisdiction. There is a distinction between raising invalidity as a defence in an infringement action (and likewise

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151 *Sun Electric Pte Ltd v Sunseap Group Pte Ltd* [2017] SGHC 232 at [167]. Section 91(1) of the Patents Act (Cap 221, 2005 Rev Ed) provides, “The court may, for the purpose of determining any question in the exercise of its original or appellate jurisdiction under this Act, make any order or exercise any other power which the Registrar [of Patents] could have made or exercised for the purpose of determining that question.”

152 *Sun Electric Pte Ltd v Sunseap Group Pte Ltd* [2017] SGHC 232 at [139].

153 *Sun Electric Pte Ltd v Sunseap Group Pte Ltd* [2017] SGHC 232 at [140].

in a claim for groundless threats) and in proceedings to revoke the patent.<sup>154</sup>

In personam; in rem

19.88 The learned judge made careful observations about *in rem* patent rights. A granted patent is a right *in rem* and the public at large is bound by a granted patent. An order revoking a patent also carries an effect *in rem* in that the patent ceases to be a granted patent and is removed from the register of patents.<sup>155</sup> He referred to the UK Supreme Court decision of *Virgin Atlantic Airways Ltd v Zodiac Seats UK Ltd*,<sup>156</sup> and specifically, the statements of Lord Sumption,<sup>157</sup> and Lord Neuberger.<sup>158</sup> In contrast to *in rem* patent rights, a decision on infringement is a decision *in personam*, which binds only the parties to an action. The court observed that a defendant to patent infringement proceedings could defend himself by just raising invalidity against the patent:<sup>159</sup>

[Even] if he succeeds in the defence, his win seems to be ‘*in personam*’, in the sense that the patent is not revoked even though the court has made a finding of invalidity by way of defence in the infringement action ...

*High Court has no original jurisdiction to revoke patent by way of counterclaim in infringement proceedings*

19.89 The court held that there was a distinction between raising invalidity as a defence as in an infringement action and in proceedings to revoke a patent.<sup>160</sup> After detailed consideration, the court stated:<sup>161</sup>

166 The Patents Act expressly provides the High Court with an appellate jurisdiction over many decisions of the Registrar, including decisions made by the Registrar under s 80. This is a good reason for providing that the High Court in exercising its appellate jurisdiction has the same powers as the Registrar. This does not, however, mean that the High court enjoys original jurisdiction to hear applications under s 80 or power to grant an order for revocation by way of a counterclaim in an infringement suit.

167 In the absence of any express statutory provision conferring original jurisdiction upon the court to hear revocation proceedings

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154 *Sun Electric Pte Ltd v Sunseap Group Pte Ltd* [2017] SGHC 232 at [159].

155 *Sun Electric Pte Ltd v Sunseap Group Pte Ltd* [2017] SGHC 232 at [70].

156 [2014] AC 160.

157 *Virgin Atlantic Airways Ltd v Zodiac Seats UK Ltd* [2014] AC 160 at [7] and [32].

158 *Virgin Atlantic Airways Ltd v Zodiac Seats UK Ltd* [2014] AC 160 at [49] and [57].

159 *Sun Electric Pte Ltd v Sunseap Group Pte Ltd* [2017] SGHC 232 at [75].

160 *Sun Electric Pte Ltd v Sunseap Group Pte Ltd* [2017] SGHC 232 at [159].

161 *Sun Electric Pte Ltd v Sunseap Group Pte Ltd* [2017] SGHC 232 at [166]–[167].

(by application) or grant a prayer for revocation whether or not by way of counterclaim in infringement proceedings, I find that the High Court has no such jurisdiction to do so. Accordingly, no powers of the Registrar in respect of application for patent revocation under s 80 are vested in the court by virtue of s 91(1).

19.90 The court proceeded to limit the defendants' prayer for a declaration that the patent as a whole is invalid, to one that was restricted to asserted claims, the validity of which has been put in issue by way of defence and the counterclaim for groundless threats.<sup>162</sup>

19.91 A key practical effect of this decision, if upheld, is that a defendant who succeeds in raising invalidity of a patent by way of defence to infringement proceedings must separately commence revocation proceedings before the Intellectual Property Office.

***Claim Construction – Relevance of Actavis UK Ltd v Eli Lilly and Co*<sup>163</sup>  
(“Eli Lilly”) to Singapore – Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp<sup>164</sup>**

19.92 The plaintiff, Rohm and Haas Electronic Materials CMP Holdings, Inc (formerly known as Rodel Holdings, Inc) is the registered proprietor of Singapore Patent No 43335, in respect of a “Polymeric Polishing Pad Containing Hollow Polymeric Microelements” (“the Patent”). The claimed invention relates to the field of semiconductor manufacturing. One of the stages in wafer manufacturing is known as “chemical mechanical polishing/planarisation” (“CMP”), which refers to the process of smoothing a surface by means of a combination of chemical and mechanical forces. The claimed invention is a polishing pad used to polish or planarise the surface of an electronic substrate such as a wafer.

19.93 The first defendant, NexPlanar Corporation, is a US-incorporated company in the business of designing and manufacturing CMP pads. The second defendant, Wah Lee Tech (Singapore) Pte Ltd, is a locally incorporated company which imports and purchases CMP pads from suppliers such as the first defendant and resells the CMP pads to its customers in Singapore.

19.94 The plaintiff brought a suit against the defendants for alleged infringement of the Patent in relation to certain CMP pads (“NexPlanar Pads”) that were manufactured and sold by the first defendant. The

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162 *Sun Electric Pte Ltd v Sunseap Group Pte Ltd* [2017] SGHC 232 at [193].

163 [2017] Bus LR 1731.

164 [2017] SGHC 310.

plaintiff further alleged that the first defendant directed, authorised, procured, assisted or enabled the second defendant to infringe the Patent, and/or acted in concert with the second defendant pursuant to a common design to infringe the Patent.

19.95 The defendants denied infringement on the basis that the NexPlanar Pads did not fall within the asserted claims of the Patent. The defendants also further denied being joint tortfeasors and asserted that they did not engage in any common design to infringe the Patent, their relationship being purely that of a buyer and seller. As a defence and counterclaim for revocation of the Patent, the defendants contended that the Patent has always been invalid.

19.96 The High Court held that the Patent was valid prior to its expiry, and that the asserted claims of the Patent were found infringed by the defendants' actions, but only in respect of the three tested NexPlanar Pads. The High Court also held that the defendants were joint tortfeasors. The defendants' counterclaims were dismissed.

### *Validity of patent*

#### Novelty

19.97 The defendants argued that the Patent was anticipated by the (a) sale of "IC-1000" pads to Intel before the priority date, (b) disclosure of samples of "IC-1000" pads to SEMATECH, a non-profit consortium that performs research and development to advance chip manufacturing and/or presentations covering "IC-1000" pads at a Sematech conference, and (c) plaintiff's alleged provision of a brochure to an Intel personnel.

19.98 The court did not find any express confidentiality undertaking or agreement providing for an obligation of confidence on the basis of the available evidence.<sup>165</sup> However, the High Court held that there was an implied obligation of confidence between the plaintiff and Intel as it was clear that information of commercial or industrial value was being given on a business-like basis and with a common object in mind. At the very least, there was a "project" between Intel and the plaintiff, which provides a useful starting point to suggest that Intel was most likely bound by an obligation of confidence.<sup>166</sup> A reasonable man standing in

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165 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [78].

166 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [82].

Intel's shoes would have realised that the information was being given to him in confidence.<sup>167</sup>

19.99 The court found that an implied obligation of confidence arose as the Sematech Agreement envisioned the importance of confidentiality between the plaintiff and Sematech. The Sematech conference programme sheet was expressly marked "Confidential", and the slides of the conference presentations that were adduced into evidence did not appear to reveal information about the "IC-1000" pads that was of a confidential nature.<sup>168</sup> The High Court found that the Brochure did not amount to commercial disclosure of the "IC-1000" pads, as the Brochure only described "IC" pads in general terms and did not mention what microelements were used in the pads. There was no evidence on what the sample would disclose to the hypothetical skilled reader.<sup>169</sup>

19.100 As such, the disclosures with regard to the "IC-1000" pads and the Patent were made in a confidential context, and thus could not be regarded as prior publications. Accordingly, the Patent was not anticipated by any prior use of the "IC-1000" pads.

#### Inventive step

19.101 The court applied the four-step "*Windsurfing* test"<sup>170</sup> to determine whether the Patent involved an inventive step. Applying the first step of the *Windsurfing* test, the High Court found that the inventive concept lies in the use of a hollow, flexible, organic, polymeric microelements in a CMP pad.<sup>171</sup> Applying the second step of the *Windsurfing* test, the High Court found the skilled reader to be someone who has a degree in chemical, mechanical or materials engineering or in physics or chemistry, and with about three years' work experience with CMP processes. It also agreed with the plaintiff that the skilled person should be someone active in or otherwise familiar with CMP manufacturing around the priority date, or otherwise imputed with the common general knowledge in the art at the relevant time.<sup>172</sup>

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167 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [85].

168 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [89] and [90].

169 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [93] and [94].

170 *Windsurfing International, Inc v Tabur Marine (Great Britain) Ltd* [1985] RPC 59.

171 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [111].

172 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [118].

19.102 Applying the third and fourth steps of the *Windsurfing* test, the High Court did not find any of the items that the defendants alleged as prior art to be any more than tangentially relevant to the Patent, let alone able to allow the notional skilled reader to come up with the invention therein. Even if the skilled reader had all the prior art disclosures cited against inventive step before him, there was no obvious mosaic that would lead to the invention as claimed.<sup>173</sup>

### Sufficiency

19.103 Given that this area involved semiconductor wafers and related processes, the High Court considered that any patent specification would reasonably require a higher degree of precision. However, the High Court found that in respect of the features which the defendants complained as being insufficient, vague and imprecise, that is, work surface, subsurface, relative hardness or softness and flexibility, the objection had not been established on the evidence, combined with a reading of the specifications and claims.<sup>174</sup>

### Infringement

19.104 The defendants submitted that the NexPlanar Pads they dealt with were new, as-received and unconditioned pads which did not fall within the scope of the asserted claims, which only covered conditioned or “broken-in” pads. On a purposive interpretation of the claims, the High Court was of the view that the term “work surface” in the claims did not necessitate that the pad be in use, conditioned or broken-in for it to fall within the claim. The High Court considered that it would be artificial to limit the coverage of the claims only to used or conditioned pads, and the skilled addressee would not understand the patentee to be only referring to a used or a conditioned pad by the language in the relevant claim.<sup>175</sup> As such, new and unused pads were not precluded from falling within the relevant claim.

### *Claim construction – Actavis UK Ltd v Eli Lilly and Co*

19.105 In relation to claim construction, the High Court noted that the UK Supreme Court in *Eli Lilly*, departed from the purposive interpretation approach taken in *Catnic Components Ltd v Hill &*

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173 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [149] and [150].

174 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [170].

175 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [196].

*Smith Ltd*<sup>176</sup> (“*Catnic*”) and *Improver Corp v Remington Consumer Products Ltd*<sup>177</sup> (“*Improver*”), and held that a problem of infringement is best approached by addressing two issues, each of which is to be considered through the eyes of the skilled addressee. The issues are (a) does the variant infringe any of the claims as a matter of normal interpretation, and (b) if not, does the variant nonetheless infringe because it varies from the invention in a way or ways which is or are immaterial? If the answer to either issue is “yes”, there is infringement; otherwise, there is not.<sup>178</sup> The court took the view that courts in Singapore should be cautious in following UK and European decisions on claim interpretation,<sup>179</sup> and noted that there was a clear and established line of authorities in Singapore that endorsed and applied the purposive construction approach that was stated in *Catnic* and *Improver*.<sup>180</sup> The High Court also noted that a significant point in *Eli Lilly* was the reference to the doctrine of equivalents, which has not been endorsed by the Singapore court thus far.<sup>181</sup>

19.106 The court held that upon the proper construction of the terms “work surface” and “texturized work surface”, the findings in the Independent Assessor’s Report indicated that all the components of the asserted claims were present in the tested NexPlanar Pads. However, as only three NexPlanar Pads were tested, but the plaintiff’s infringement claim was in respect of 12 NexPlanar Pads in total, and no explanation was proffered during the parties’ submissions as to why this was the case, the High Court dismissed any claims of infringement with regard to the nine untested pads.<sup>182</sup>

19.107 The court held that it was clear that the defendants’ acts amounted to the disposal, importation and/or keeping of a patented product without the consent of the patentee, and therefore there was infringement.<sup>183</sup> The High Court noted that the finding of joint tortfeasorship by common design “requires the discharge of a heavy evidentiary burden on the part of the plaintiff”, and that the threshold

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176 [1982] RPC 183.

177 [1990] FSR 181.

178 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [184].

179 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [188].

180 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [191].

181 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [192].

182 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [221].

183 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [223].

for such a finding is a high one. The joint tortfeasors must have been “so involved in the commission of the tort as to make himself liable for the tort”.<sup>184</sup> Based on the evidence, the High Court found that the first defendant was not merely acting as supplier of the infringing pads, but also made the second defendant’s infringing acts its own. The defendants may therefore be regarded as joint tortfeasors in that they have acted in concert and in furtherance of the infringement pursuant to a common design to sell the infringing pads.<sup>185</sup>

19.108 A declaration of the Patent’s validity was granted to the plaintiff, along with a declaration that the asserted claims were infringed by the defendants. The defendants’ counterclaims were dismissed in their entirety.<sup>186</sup> However, the High Court saw no reason to grant any injunctions sought by the plaintiff since the Patent had already expired.<sup>187</sup>

***Rightful owners and rightful contributors – National University Hospital (Singapore) Pte Ltd v Cicada Cube Pte Ltd***<sup>188</sup>

19.109 The plaintiff, National University Hospital (Singapore) Pte Ltd (“NUH”), was part of a group of healthcare institutions, the National Healthcare Group, which embarked on a project to digitise the clinical care processes in its hospitals. As part of this project, Dr Sethi, an employee of NUH, was tasked with computerising the workflow of specimen testing in the laboratory. NUH appointed the defendant, Cicada Cube Pte Ltd (“Cicada”), to develop software with regard to sample collection allowing a complete electronic laboratory trail from test ordering right through to result reporting. Subsequently, Cicada filed Singapore patent application no 2007057508 relating to the developed software (“the Patent”), which was granted. The Patent was titled, “Laboratory Specimen Collection Management System” and listed two of Cicada’s founders and directors, Dr Ratty and Dr Poo, as the inventors. NUH contended that its employees, Dr Sethi and Peter Lim, actually came up with the invention disclosed in the Patent (“the Invention”), and that NUH was therefore the rightful owner of the Patent.

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184 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [229].

185 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [233].

186 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [239].

187 *Rohm and Haas Electronic Materials CMP Holdings, Inc v NexPlanar Corp* [2017] SGHC 310 at [240].

188 [2017] SGHC 53.

19.110 The High Court held that there were two inventive concepts embodied in the Invention, and that one of the inventive concepts was contributed by Dr Sethi. NUH failed to discharge its burden of proving that Dr Ratty and Dr Poo did not contribute to the other inventive concept. The court ordered that Dr Sethi, Dr Ratty and Dr Poo be named as joint inventors of the Invention, and for NUH to be named as a joint proprietor of the Patent together with Cicada.

*Identifying two inventive concepts*

19.111 Cicada submitted that the inventive concept of the Patent was the integration of front-end test ordering with back-end information, eliminating errors by collating and graphically displaying specimen requirements and generating a single label containing an accession number and patient information for each tube.<sup>189</sup> NUH submitted that there were two inventive concepts: (a) a determination concept (specimen processing which determined, through a “business logic”, specimen requirements for test orders); and (b) a graphical display concept (the visual display of these requirements).<sup>190</sup>

19.112 The High Court considered the specification and claims of the Patent and determined that there were two inventive concepts embodied in the Invention, which differed from the inventive concepts put forth by Cicada and NUH. The 1st Inventive Concept was found to be the linkage or interaction between what was done in the ordering of a medical test (namely, the processes for ordering tests), and what was done at the specimen-taking side (namely, the processes for collecting specimens), so that errors or mistakes were prevented.<sup>191</sup>

19.113 The 2nd Inventive Concept was found to be the specification for the taking of specimens, that is, among other things, how the system actually ensured identification or determination of relevant constraints (such as the type of tube, number of tubes, and the amount of specimen to be collected in each tube) in each case, and the process of actual interaction or communication of different components of the system, including information processing and the display of the specification to the clinician taking the specimens.<sup>192</sup>

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189 *National University Hospital (Singapore) Pte Ltd v Cicada Cube Pte Ltd* [2017] SGHC 53 at [25].

190 *National University Hospital (Singapore) Pte Ltd v Cicada Cube Pte Ltd* [2017] SGHC 53 at [20].

191 *National University Hospital (Singapore) Pte Ltd v Cicada Cube Pte Ltd* [2017] SGHC 53 at [37].

192 *National University Hospital (Singapore) Pte Ltd v Cicada Cube Pte Ltd* [2017] SGHC 53 at [37].

*Identifying who contributed to inventive concept*

19.114 The 1st Inventive Concept was deemed to be devised by Dr Sethi. The High Court held that while there was an absence of a single contemporaneous record that clearly showed a specific and definite point by which Dr Sethi came up with the 1st Inventive Concept, this was done before the involvement of Dr Ratty and Dr Poo.<sup>193</sup>

19.115 With the 2nd Inventive Concept, the High Court found that NUH failed to discharge the burden of proof that it was Dr Sethi, and not Dr Ratty and/or Dr Poo, who had contributed to the 2nd Inventive Concept.<sup>194</sup> The court was not persuaded that Peter Lim had contributed to either of the two inventive concepts as a person who merely did what was suggested to him by the actual deviser did not take part in devising the Invention and could not be regarded as a joint inventor.<sup>195</sup>

*Identifying rightful owners of patent*

19.116 Cicada contended that even if Dr Sethi was an inventor of the Invention, he was not an employee of NUH at the material time, and so NUH was not the proper plaintiff in the present matter. Based on the facts presented before the court, including an appointment contract that was in force between Dr Sethi and NUH (during the material time), the court found that Dr Sethi had, at that time, two contracts of employment: one under NUH and the other under the National University of Singapore (“NUS”). In the overall analysis, the court concluded that Dr Sethi was in the employment of NUH at the time that he came up with the 1st Inventive Concept. It did not matter that at that time, concurrent with his contract of employment with NUH, there was also an employment contract between him and NUS.<sup>196</sup> The High Court was also satisfied that Dr Sethi conceived the 1st Inventive Concept in his capacity as an employee of NUH, and not “in the course or furtherance of University Research” at NUS.<sup>197</sup>

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193 *National University Hospital (Singapore) Pte Ltd v Cicada Cube Pte Ltd* [2017] SGHC 53 at [77].

194 *National University Hospital (Singapore) Pte Ltd v Cicada Cube Pte Ltd* [2017] SGHC 53 at [78].

195 *National University Hospital (Singapore) Pte Ltd v Cicada Cube Pte Ltd* [2017] SGHC 53 at [81].

196 *National University Hospital (Singapore) Pte Ltd v Cicada Cube Pte Ltd* [2017] SGHC 53 at [94].

197 *National University Hospital (Singapore) Pte Ltd v Cicada Cube Pte Ltd* [2017] SGHC 53 at [99].

19.117 The High Court ordered that Dr Sethi, Dr Ratty and Dr Poo be named as joint inventors of the Invention, and for NUH to be named as a joint proprietor of the patent together with Cicada.

***Patent infringement and groundless threats – Towa Corp v ASM Technology Singapore Pte Ltd;*<sup>198</sup> *Lee Tat Cheng v Maka GPS Technologies Pte Ltd*<sup>199</sup>**

Towa Corp v ASM Technology Singapore Pte Ltd

19.118 The plaintiff, Towa Corp, was the registered proprietor of a Singapore patent which concerned moulding technology and moulding machines (“the Patent”). The first defendant, ASM Technology Singapore Pte Ltd, was a wholly owned subsidiary of the second defendant, ASM Pacific Technology Limited. The plaintiff claimed against the defendants for infringement of the Patent. The infringing acts that were alleged by the plaintiff concerned a product known as the IDEALmold machine. The defendants opposed the plaintiff’s claim on various grounds and counterclaimed against the plaintiff for making groundless threats of infringement proceedings.

19.119 The court found that the Patent was valid and that the first defendant had directly infringed the Patent. Joint infringement was not found and the defendants’ counterclaim for groundless threats of infringement proceedings failed.

Validity of patent

19.120 The invention, which was described in Claim 4 of the Patent, was the application of a concept of modularity to the moulding units of moulding machines. The Patent taught how this modularity could be achieved by having moulding machines with moulding units which were “detachably mountable” (that is, detachable and attachable) to each other, so as to enable a customer who had bought such a moulding machine the flexibility of subsequently increasing or decreasing the number of moulding units according to desired production capacity.<sup>200</sup> The court held that the invention in Claim 4 was novel as the three pieces of prior art adduced by the defendants did not anticipate the invention in Claim 4.<sup>201</sup>

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198 [2017] 3 SLR 771.

199 [2018] 3 SLR 1334.

200 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [22].

201 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [59].

19.121 The defendants urged the court to consider the “Gillette” defence and the “squeeze argument”. The “*Gillette*” defence, stemming from the decision in *Gillette Safety Razor Co v Anglo-American Trading Co Ltd*<sup>202</sup> meant:

[A party] is entitled to feel secure if he knows that that which he is doing differs from that which has been done of old only in non-patentable variations, such as the substitution of mechanical equivalents or changes of material shape or size. The defence that ‘the alleged infringement was not novel at the date of the plaintiff’s Letters Patent’ is a good defence in law ...

The “squeeze” argument arises when there is the possibility of an elastic interpretation of a claim so that a defendant can contend that a claim will be either invalid if construed broadly, or not infringed if construed more narrowly.<sup>204</sup> The court took the view that neither the “*Gillette*” defence nor the “squeeze” argument departed from the well-established principles of the law of patents, and that their identifying feature is that they allow a court to come to a conclusion on liability without actually having to construe the claims in question. As the court had already construed the Patent claims, it took the view that a consideration of the *Gillette* defence or the “squeeze” argument was neither necessary nor profitable. The court observed, however, that it was not ideal for courts to sidestep the issue of claim construction altogether.<sup>205</sup>

19.122 The court held that the invention in Claim 4 involved an inventive step and that the defendants’ submissions on the issue of inventive step were inadequate to discharge their burden of proof. Although the defendants’ expert did deal with the issue of inventive step in his report, it was not entirely clear if his opinion on this issue had been adopted by the defendants. In any event, his opinion also did not assist the defendants.<sup>206</sup>

19.123 The court also took the view that the plaintiff’s expert’s evidence, if unrebutted, would be sufficient to establish that the Patent satisfied the sufficiency requirement. There is no need for the patent specification to set out every detail necessary for the performance of the invention as the skilled man (who does not have to be told what is self-evident, or what is part of common general knowledge) can be left to use his skill to perform the invention.<sup>207</sup> The court observed that the

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202 (1913) 30 RPC 465.

203 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [42].

204 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [43].

205 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [44].

206 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [63] and [64].

207 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [71].

defendants' expert's evidence was nothing more than a bare and unexplained denial of the plaintiff's expert's position, and the plaintiff's expert's position was left unrebutted.<sup>208</sup>

### Infringement

19.124 The court held that the IDEALmold machine fell within Claims 4 and 5 and, in so far as its operation was concerned, also fell within Claims 1 and 2, as the modularity of moulding units was envisaged as a feature of the IDEALmold machine and that a process known as retrofitting provided for this.<sup>209</sup>

19.125 The first defendant had infringed Claims 4 and 5 by making, disposing of, offering to dispose of and keeping the IDEALmold machine.<sup>210</sup> It had also infringed Claims 1 and 2 by offering for use the operation of the IDEALmold machine. Offering an infringing process for use included the selling and offering for sale of a product which incorporated the infringing process, provided that that product was intended to be used by the offeree.<sup>211</sup>

19.126 However, the court held that the second defendant had not infringed Claims 4 and 5. The plaintiff's case against the second defendant rested solely on the fact that the nameplates of some IDEALmold machines stipulated "ASM Pacific Technology" as the manufacturer. The nameplates alone were an insufficient basis for the court to conclude that the second defendant had infringed Claims 4 and 5 by making and/or keeping the IDEALmold machine.<sup>212</sup> The evidence, as a whole, supported the defendants' explanation that the use of "ASM Pacific Technology" on the nameplates was a result of a restructuring exercise. The court found that the reference to "ASM Pacific Technology" on the nameplates was not a reference to the second defendant and that the second defendant was not the manufacturer of these machines.<sup>213</sup>

### Joint tortfeasorship

19.127 The plaintiff's claim for joint infringement was not established. The court observed that the plaintiff's submissions on this issue fell far short of establishing the second defendant's actual involvement in

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208 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [74] and [75].

209 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [90].

210 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [98].

211 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [106].

212 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [113].

213 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [120].

furthering the common design of infringement,<sup>214</sup> were purely speculative,<sup>215</sup> or did not withstand scrutiny.<sup>216</sup>

### Laches and acquiescence

19.128 The court also held that the first defendant could not avail itself of the “delay” defences of laches and acquiescence. With regard to the defence of laches, the plaintiff validly contended that the reliefs it sought were statutory reliefs provided for by s 67(1) of the Patents Act and that it was therefore unclear what legal basis the defendants had for relying on this defence.<sup>217</sup> In any event, the two elements to consider when raising the defence of laches (that is, the length of the delay and whether such delay had caused any prejudice or injustice) were not established. It could not be said that there was any delay on the part of the plaintiff from the time it was aware that the IDEALmold machine infringed the Patent.<sup>218</sup> Even if there was any such delay, the defendants had not adduced any evidence to show that the first defendant had suffered prejudice or injustice as a result of the delay.<sup>219</sup>

19.129 The plaintiff became aware that the IDEALmold machine infringed the Patent in July 2011 and the High Court held that there could not have been any acquiescence on the part of the plaintiff post-July 2011, as time only started running from the point at which the plaintiff became aware of the infringement.<sup>220</sup> For the period up to July 2011, the plaintiff could not be said to have stood by in such a manner as really to induce the first defendant to believe that it assented to the infringing acts being committed, as the plaintiff had taken steps to engage the defendants and parties were in correspondence with each other until the writ was served.<sup>221</sup>

### Groundless threats of infringement proceedings

19.130 The High Court found that the plaintiff was not liable to the second defendant for making groundless threats of infringement proceedings. Section 77 of the Patents Act was concerned with the commercial interests of a plaintiff who brought a claim under the section. The section only covered those who were affected by such

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214 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [126].

215 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [127].

216 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [129].

217 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [143].

218 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [146].

219 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [147].

220 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [146].

221 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [149].

threats due to the nature of their business.<sup>222</sup> However, as the second defendant was an investment holding company and was not involved in manufacturing or sales operations at all material times, the second defendant was not a “person aggrieved” under s 77.<sup>223</sup>

#### Lee Tat Cheng v Maka GPS Technologies Pte Ltd

19.131 The plaintiff, Lee Tat Cheng, was the proprietor of Singapore patent no 87795 (the “Patent”) for an in-vehicle camera invention that could be used to record events before, during and after an accident. Lee claimed that the defendant, Maka GPS Technologies Pte Ltd, offered three of its devices for sale, which constituted an infringement of the Patent. The defendant alleged that the Patent was invalid and (in the alternative) if valid, was not infringed. The defendant also counterclaimed for groundless threats of infringement.

19.132 The High Court held that the Patent was novel and inventive and, therefore, valid. However, the defendant’s offering of the devices for sale did not infringe the Patent. A declaration of non-infringement was granted to the defendant and the defendant succeeded in its counterclaim for groundless threats of infringement proceedings. An injunction was granted to the defendant against the continuance of the threats by the plaintiff.

#### Expert evidence

19.133 One issue was whether the defendant’s expert witness was a “person skilled in the art”. The court affirmed that the expert’s role is to assist the court in its task of viewing the Patent claims through the eyes of the person skilled in the art at the time the patent was applied for.<sup>224</sup> Such a person should possess common general knowledge of the subject matter in question, have a practical interest in the subject matter of the Patent or be likely to act on the directions given in it and, whilst unimaginative, be reasonably intelligent and wish to make the directions of the patent work.<sup>225</sup> In response to the allegation that the defendant’s expert, who was a qualified patent agent, did not possess the necessary experience and knowledge to provide expert evidence because he had not worked in the specific area of automobile equipment, electronics or optical recording equipment, the court was satisfied that the defendant’s expert was able to assist the court in viewing the patent claims through the eyes of a person skilled in the art, given his qualifications, work

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222 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [161].

223 *Towa Corp v ASM Technology Singapore Pte Ltd* [2017] 3 SLR 771 at [163].

224 *Lee Tat Cheng v Maka GPS Technologies Pte Ltd* [2018] 3 SLR 1334 at [29].

225 *Lee Tat Cheng v Maka GPS Technologies Pte Ltd* [2018] 3 SLR 1334 at [30].

experience, and common general knowledge of the subject matter of the Patent.<sup>226</sup>

### Patent construction

19.134 The court followed the approach taken in *Kirin-Amgen, Inc v Hoechst Marion Roussel Ltd*<sup>227</sup> and emphasised the importance of claim construction in determining the essential elements of the Patent in suit, and affirmed that where there are ambiguities in the language of the claim, the claim should be purposively interpreted, in that the interpretation should be highly sensitive to the context of, and background to, the particular utterance.<sup>228</sup> This (purposive) construction is an objective one, assessed from the perspective of what the notional skilled person would have understood the patentee to mean by the use of the language of the claims.<sup>229</sup>

### Validity

19.135 The defendant cited five prior art documents and contended that Claims 1–8 of the Patent were not novel and did not involve an inventive step. The case for lack of novelty was based purely on one prior art document and the main point of contention was whether this patent implicitly disclosed an “ignition monitor” which provides the means to send a signal to the system controller on detection of ignition voltage. Having defined the “dual functions” of the term “ignition monitor” using the purposive approach, the court held that Claim 1 of the Patent was novel and not anticipated by the prior art. The subsequent Claims 2–8 were also novel. Although the additional features set out in Claims 2, 3 and 4 (the standby power supply, the timer switch and the memory stores) were not novel in and of themselves, when analysed in light of the novel Claim 1 to which they relate to and incorporate, these claims were held to be novel as well.<sup>230</sup>

19.136 Looking at the prior art documents as a whole, the court was of the view that the “ignition monitor” was not obvious to a notional skilled person, and constituted an inventive step, in light of the prior art and common general knowledge. The need or desirability for an in-vehicle camera recording system to capture a vehicle’s external surroundings in connection with accidents was obvious. However, the

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226 *Lee Tat Cheng v Maka GPS Technologies Pte Ltd* [2018] 3 SLR 1334 at [38].

227 [2005] RPC 9.

228 *Lee Tat Cheng v Maka GPS Technologies Pte Ltd* [2018] 3 SLR 1334 at [53].

229 *Lee Tat Cheng v Maka GPS Technologies Pte Ltd* [2018] 3 SLR 1334 at [54].

230 *Lee Tat Cheng v Maka GPS Technologies Pte Ltd* [2018] 3 SLR 1334 at [124].

question was whether it was obvious to try the particular solution devised by the inventor, and the court took the view that it was not.<sup>231</sup>

## Infringement

19.137 Three devices that were marketed by the defendant were alleged to have infringed the Patent, with Claims 1, 2, 3, 5, 6, 7 and/or 8 being of concern. The defendant submitted that there was no infringement since the three elements of Claim 1 had not been taken by the devices and that Claims 2–8 were consequently not infringed by virtue of dependency on Claim 1. The judge agreed that the defendant’s offering of the devices for sale did not infringe the Patent and a declaration of non-infringement was granted to the defendant.<sup>232</sup>

## Groundless threats of infringement

19.138 The High Court took the view that the court did not have discretion as to whether to award relief under s 77 of the Patents Act, such that once the plaintiff has established all the requisite elements – namely that he is *prima facie* entitled to relief (that is, threats were made and he is an aggrieved person) and the threats are not shown to be justified – the plaintiff is entitled to be granted a form of relief.<sup>233</sup> The High Court held that the cease and desist letters, which demanded fees and damages in lieu of the plaintiff’s enforcement of his strict legal rights, constituted threats. The High Court held that the defendant was entitled to be granted relief, but was of the view that a declaration that the threats were unjustified was not necessary and also declined to make an award of damages.<sup>234</sup> The judge agreed to grant an injunction against the continuance of the threats.<sup>235</sup>

## Breach of confidence

### ***Status of confidential information made public through hacking and online publication – Wee Shuo Woon v HT SRL*<sup>236</sup> (“WSW”)**

19.139 In WSW, the respondent commenced proceedings against the appellant for alleged breaches of his employment contract and duties that were owed to the respondent. After the lawsuit was commenced,

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231 *Lee Tat Cheng v Maka GPS Technologies Pte Ltd* [2018] 3 SLR 1334 at [152].

232 *Lee Tat Cheng v Maka GPS Technologies Pte Ltd* [2018] 3 SLR 1334 at [173].

233 *Lee Tat Cheng v Maka GPS Technologies Pte Ltd* [2018] 3 SLR 1334 at [188].

234 *Lee Tat Cheng v Maka GPS Technologies Pte Ltd* [2018] 3 SLR 1334 at [201] and [202].

235 *Lee Tat Cheng v Maka GPS Technologies Pte Ltd* [2018] 3 SLR 1334 at [203].

236 [2017] 2 SLR 94.

the respondent's computer systems were hacked by an unknown party. Some 500GB of data was uploaded to the "WikiLeaks" website. There was no apparent evidence suggesting that the appellant was involved in the hacking. The uploaded information comprised e-mail communications between the respondents and their lawyers which the appellant sought to rely upon in the suit. The respondent filed an application to seek an order that all references to the e-mails be expunged from the appellant's affidavit on the ground that the e-mails were privileged and should not be admitted into evidence. In proceedings below, the learned asst registrar ordered the expungement of all references to and copies of the e-mails that appeared in the appellant's affidavit in order to restrain a breach of confidence. On appeal, the learned judge affirmed the decision.

19.140 The appellant argued that the e-mails had lost the necessary quality of confidence, given their wide dissemination. Dismissing the appeal, the court held that the e-mails contained information which was, prior to the uploading of the e-mails onto the Internet, undoubtedly privileged and confidential.

*Equitable jurisdiction to restrain use of e-mails; public domain principle*

19.141 The court recognised that equity imposed a duty of confidence on a person who received information that he knew or ought to have known to be fairly and reasonably regarded as confidential.<sup>237</sup> It considered whether the fact that the e-mails were uploaded onto the Internet would defeat the application to restrain the use of otherwise confidential and privileged information for the purpose of litigation.<sup>238</sup> Following the *Spycatcher* case,<sup>239</sup> the court recognised that information that has entered the "public domain" is, as a general rule, no longer amenable to the protection of the law of confidence:<sup>240</sup>

The first limiting principle (which is rather an expression of the scope of the duty) is ... that the principle of confidentiality only applies to information to the extent that it is confidential. In particular, once it has entered what is usually called the public domain (which means no more than that the information in question is so generally accessible that, in all the circumstances, it cannot be regarded as confidential) then, as a general rule, the principle of confidentiality can have no application to it ...

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237 *Wee Shuo Woon v HT SRL* [2017] 2 SLR 94 at [28].

238 *Wee Shuo Woon v HT SRL* [2017] 2 SLR 94 at [29].

239 *Attorney-General v Guardian Newspapers Ltd (No 2)* [1990] 1 AC 109.

240 *Attorney-General v Guardian Newspapers Ltd (No 2)* [1990] 1 AC 109 at 282.

19.142 This was stated to be the “public domain” principle. The appellant’s main argument was that the e-mails had been placed on the Internet and were freely available for access. They entered the public domain and therefore could not be protected by the law of confidence.<sup>241</sup>

19.143 The court held that the “public domain” principle was not a “freestanding rule to be mechanically applied”.<sup>242</sup> It was a general and not an absolute rule. The principle was merely an aspect of the scope of the duty of confidentiality. It is one factor to be considered when determining whether a person’s conscience ought to require him to treat information as confidential. The question for the court in each case is whether the degree of accessibility of the information is such that, in all the circumstances, it would not be just to require the party against whom a duty of confidentiality is alleged to treat it as confidential.<sup>243</sup> The law of confidentiality is designed to protect confidences or secrets. The essence of protection is that they are not publicly known. Where information has become accessible and/or accessed that a reasonable person in the position of the parties would not regard it as confidential, it could not be unconscionable for the party who receives such information to treat it as not confidential.<sup>244</sup>

#### *Common sense inquiry*

19.144 Ultimately, it is a common sense inquiry whether information has become so accessible and/or accessed that it would not be just in all circumstances to require the party against whom confidence is asserted to treat it as confidential.<sup>245</sup> The circumstances of each case must be examined. Consideration must be given to factors such as (a) the likelihood of the information being accessed by the public, (b) the degree to which the information has in fact been accessed, and (c) the extent to which the information may be appreciated and/or understood only with the specialised skills or expertise of the party seeking to make use of the information.<sup>246</sup> The court observed:<sup>247</sup>

Merely making confidential information technically available to the public at large does not necessarily destroy its confidential character. Public media, in particular the Internet, must not be the gateway through which all confidentiality is dissolved and destroyed.

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241 *Wee Shuo Woon v HT SRL* [2017] 2 SLR 94 at [30].

242 *Wee Shuo Woon v HT SRL* [2017] 2 SLR 94 at [31].

243 *Wee Shuo Woon v HT SRL* [2017] 2 SLR 94 at [31].

244 *Wee Shuo Woon v HT SRL* [2017] 2 SLR 94 at [32].

245 *Wee Shuo Woon v HT SRL* [2017] 2 SLR 94 at [35].

246 *Wee Shuo Woon v HT SRL* [2017] 2 SLR 94 at [37].

247 *Wee Shuo Woon v HT SRL* [2017] 2 SLR 94 at [37].

19.145 Applying the above principles to the e-mails in question, there was no dispute that the e-mails were generated in circumstances importing an obligation of confidentiality. E-mails between solicitor and client would have taken place in an atmosphere of total confidence.<sup>248</sup> The court rationalised that while it was true that e-mails had been uploaded onto WikiLeaks and had become potentially accessible by members of the public, the e-mails constituted a minute fraction of the estimated 500GB of data that had been pilfered from the respondent's computer systems through hacking and uploaded onto the website. It was highly probable that few, if any, knew of the existence of the e-mails or their presence in the hacked material. Fewer still would have the interest and the inclination to undertake the task of scouring through voluminous data for the e-mails.<sup>249</sup> The court held the e-mail and their contents were not public knowledge or in the public domain, even though they were theoretically accessible to anyone doing an intense search on WikiLeaks.<sup>250</sup> The e-mails in question were held to retain the status and protection of confidentiality.

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248 *Wee Shuo Woon v HT SRL* [2017] 2 SLR 94 at [40].

249 *Wee Shuo Woon v HT SRL* [2017] 2 SLR 94 at [41].

250 *Wee Shuo Woon v HT SRL* [2017] 2 SLR 94 at [42].