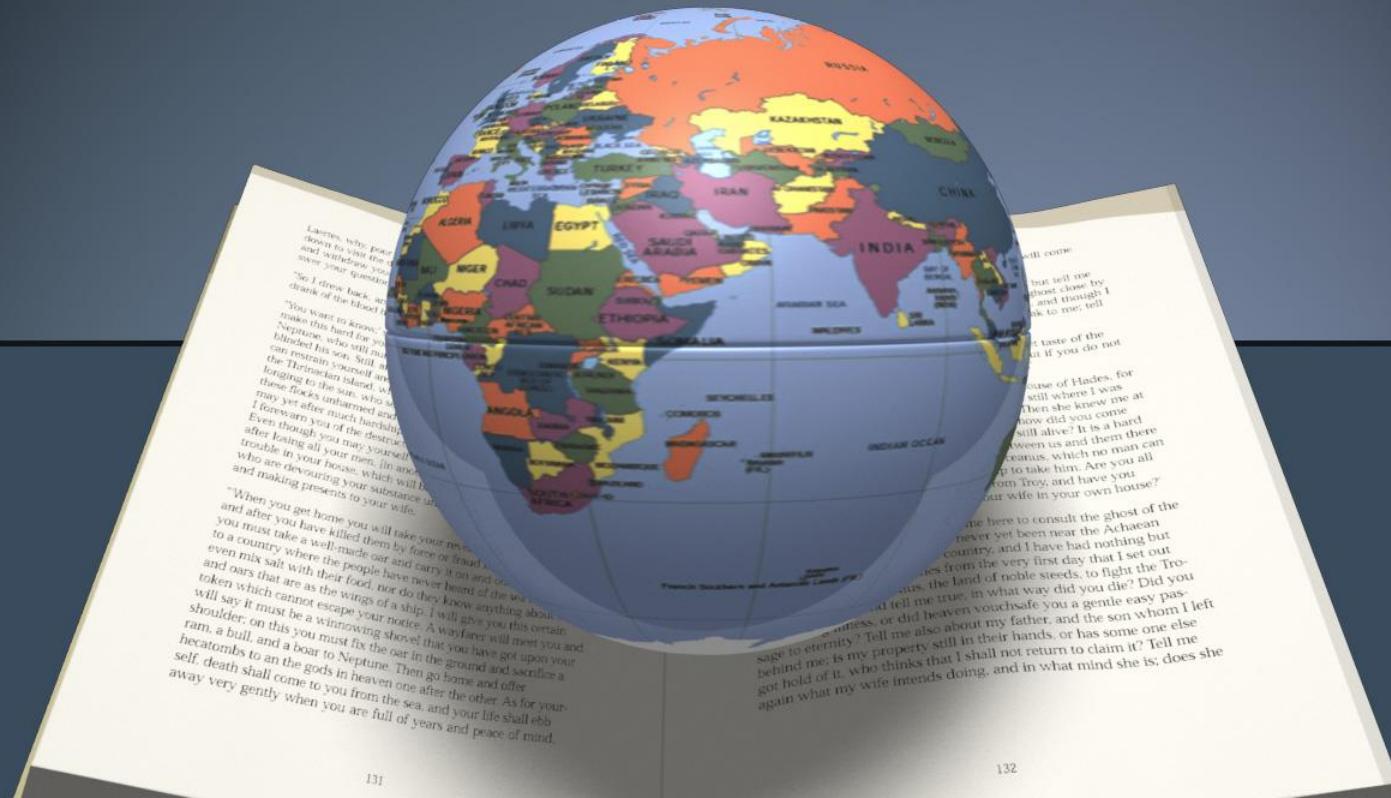


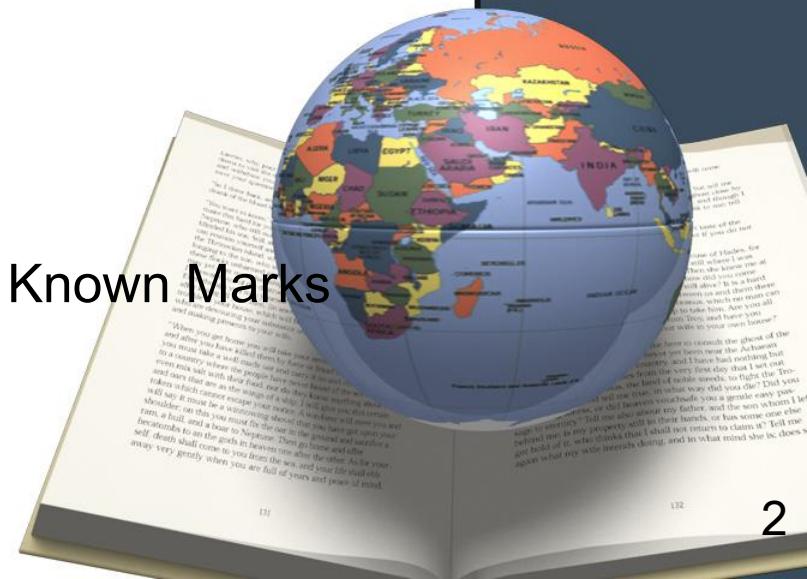
IT1218/IT1769 LAW & ETHICS OF IT

Lecture 09 : Trade Mark



IP : Trademark

- Overview
- An introduction to **Trademark**
- An understanding of **legal issues relating to Trademark**
- Outline
- 9.1 Sources , formalities & subject matter
- 9.2 Ownership, rights & limitations
- 9.3 Remedies
- 9.4 Common Law: Passing Off
- 9.5 Remedies & Unregistered Well Known Marks



IP : Trademark

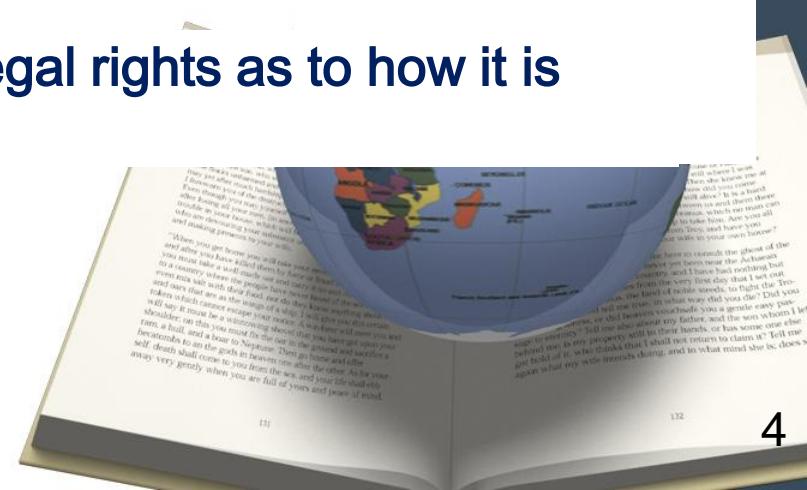
1

What is a trademark?

Trademark : Introduction

9.1: What is a trademark ?

- Trade mark can be a letter, word, name, signature, numeral, device, **brand**, heading, label, shape, color, an aspect of packaging or combination of these.
- Over a period of time, trademarks can gain a strong recall value and command significant monetary value. A registered trademark is a form of property and it can be licensed or assigned. **Hence, trademark can be used by a person in business to distinguish goods or services from other businesses.**
- Registered trade mark – **owner has legal rights as to how it is used.**



IP : Trademark

2

Why should you register a trademark?

What are the benefits of a registered trademark ?

Trademark : Introduction

- ② - refers to a registered and protected trademark pursuant to trademark laws.
- ™ - it is just a symbol that owner is using it as a trademark but
 - it is not necessarily registered or protected under the trademark laws.

Why should you register a trademark?

(Note: Not compulsory to register a trade mark)

- A registered trademark grants the owner of the mark, the statutory right to use and exploit the mark in the jurisdiction of its registration such as:
 - Protection under common law, against infringement such as:
 - tort of passing off.
 - Protection under Trademark Act ; granting control priorities in
 - selling the mark for profit or
 - licensing it others for a fee or
 - using it to raise funds.

IP : Trademark

3

What constitutes a Trademark
Infringement ?

Trademark Infringement

- Trademark Infringement is the unauthorized use of a trademark or service mark (or a substantially similar mark) on competing or relating goods and services.
- Generally, a plaintiff challenges the defendant based on infringement and passing off.
- The success of a lawsuit to stop the infringement turns on whether the defendant's use causes a likelihood of confusion in the average consumer.



Trademark : Case Study 1

Nelson operated Sunshine Supermarket for more than ten years and is pretty well-known by customers. However, he had never registered his company logo under the Trade Mark Act since the day he started his business. In fact, Nelson is unaware that there is such a provision to register his company logo.

A recent supermarket start-up had a similar business logo as the one Nelson used. The logo is so similar that it caused a confusion to Nelson's pool of customers, who thought Nelson had opened a subsidiary.

Nelson decided to sue the rivalry start-up only to realise that they had registered their company logo under the Trade Mark Act.

Question:

- 1) Will Nelson be able to sue his rivalry start-up for infringing his company logo under the Trade Mark Act ?
- 2) Can Nelson be protected under the common law of Singapore? (Tort of passing off)



Trademark : Case Study 2

| FRIDAY, DECEMBER 1, 2017 | THE STRAITS TIMES |

Starbucks loses claim against dairy firm logo

Its argument that Morinaga Milk's logo looks too similar to its own is rejected by Ipos

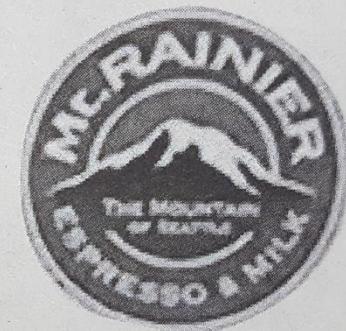
ing over a silhouette of the mountain bearing the name in the US city of Seattle, came under contention.

Starbucks opposed the registration on the grounds that it looked

Lester Hio

A Japan-based dairy firm can register a trademark for its line of milk

erty Office of Sir
Morinaga N
Kaisha, better k
Milk, filed a trade
for its Mt Rainier
coffee products



Starbucks claimed the use of similar concentric circles made the two logos look alike. PHOTOS: MORINAGA NYUGYO KABUSHIKI KAISHA, STARBUCKS

Trademark : Case Study 3

Shipper cleared of trademark infringement

THE STRAITS TIMES, 5 Dec 2017

- Counterfeit products
- Trademarks
- Importer

Freight forwarder not importer of fake goods, nor did it act in concert with importers: Court

K. C. Vijayan
Senior Law Correspondent

The companies behind glitzy brand names such as Louis Vuitton, Gucci, Burberry and Hermes have failed in their lawsuits against a Singapore freight forwarder involved in shipping fake goods from China via Singapore to Batam.

The goods could have fetched over \$1 million.

In a landmark case, the High Court last month ruled that freight forwarder Megastar Shipping was not liable as it was not the importer nor did it act in concert with the importers under the Trade Marks Act (TMA).

"The fact that (Megastar) as freight forwarder... was required to submit or make declarations under

Trademark : Case Study 4

EtonHouse wins trademark infringement lawsuit against Chinese company Etonkids



EtonHouse International Educational Group filed the first lawsuit against Chinese Etonkids Educational Group in 2015, over how the Etonkids used the same two Chinese characters for “Eton” in its name prominently in many places, such as on its

EtonHouse first entered the Chinese market in 2003 with an international school in Suzhou. It has 40 schools in more than 20 cities in China. Its Chinese trademark character “Eton” was approved at the beginning of 2003.

EtonHouse was granted S\$163,680 in statutory damages by Beijing Intellectual Property Rights Court, who in favor of EtonHouse’s claims on 29 Sep 2015

IP : Trademark

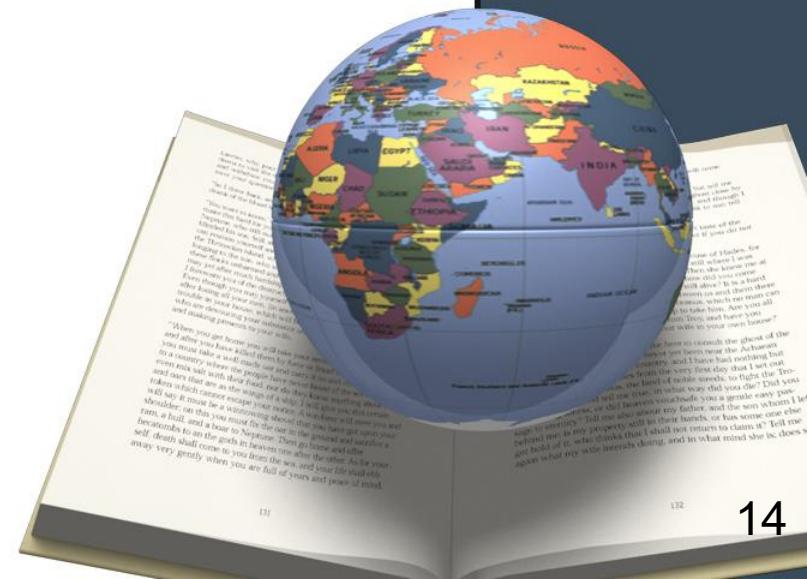
4

Trademark Act & Trademark Protection

Trademark Protection

Trade mark protection in Singapore

- Dual system of protection under
 1. Trade Marks Act (CAP 332, 2005) &
 2. Common law rights under tort of passing off
- Both systems are independent of each other.



Trademark Act

Singapore: **TMA** (Trade Mark Act)

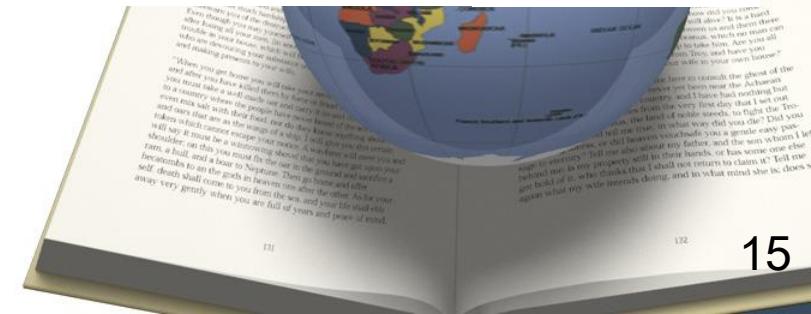
1) Protection granted if **registered with IPOS**

(Intellectual Property Office of Singapore)

- Registration either through local office or international application through Madrid Protocol – designating Singapore

2) **First to register** has **priority over unregistered mark**

3) **Trademark limited to goods and services** as defined under **international classification for goods and services**. (34 classes, Nice agreement of 1957)



Trademark Act

The screenshot shows the IPOS website with a banner featuring a circuit board and binary code. The main navigation menu includes links for Understanding Innovation & IP, Protecting your ideas, Growing your business with IP, and E-SERVICES. A search bar is also present.

Application Process

When applying to register a trade mark in Singapore, use this pre-filing checklist:

- Pre-filing checklist

It may take about 9 months for a trade mark to be registered.

The steps below outline the process of filing an application to register a trade mark.

Trademark Act

- Singapore: Subject Matter
- 3 Key Criteria to qualify as a Trademark
 - a) Must be a “trade mark” – any sign capable of being *graphically represented* to distinguish goods and services from other traders (brand names, devices, logos and colors)
S.7(1)(a) prohibits the registration of a sign which does not satisfy the definition of a trademark in S.2(1).
 - b) Mark must be distinctive.
 - c) Does not conflict with an earlier mark.

<http://news.asiaone.com/news/singapore/angry-birds-developer-loses-legal-bid>

<http://www.straitstimes.com/news/singapore/courts-crime/story/angry-birds-developer-loses-legal-bid-stop-angry-bite-20140826>



Trademark Act

Singapore: Subject Matter

- Other kinds of Trade Mark

- Non – visually perceptible :

- e.g. sounds if graphically represented (Intel chime in advertisements)



<https://www.youtube.com/watch?v=QRLyMjvug1M>

IP : Trademark

5

What items cannot be registered as
Trademark?

Trademark Act

Singapore: Subject Matter

- Characteristics of Un-Registerable Marks
 1. Describing goods and services: “Cheap, Best, Cleaner” or origin of location “Singapore”
 2. Well accepted and common to trade: “elevator, exit”
 3. Contrary to public morality, policy: Foul language
 4. Tendency to mislead (confuse) members of the public: Origin of goods or services, quality etc
 5. Earlier identical marks
 6. **Marks likely to confuse the public** (marks that provides the same goods and services as earlier marks)
 7. **Marks similar/identical** to well known marks.



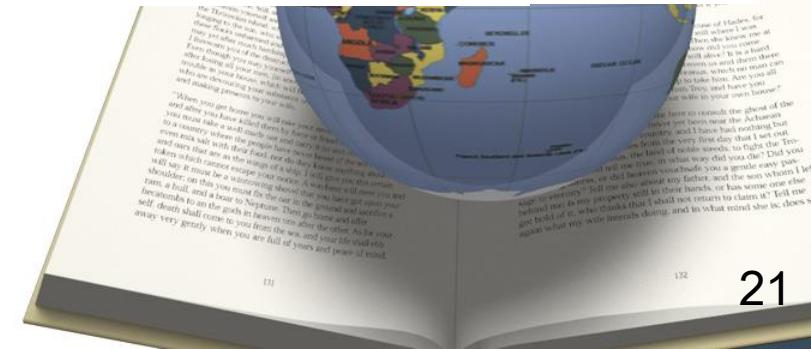
Trademark Act

Singapore: Subject Matter

- Generally descriptive marks are not distinctive unless it has build up a market for a long time

For example:

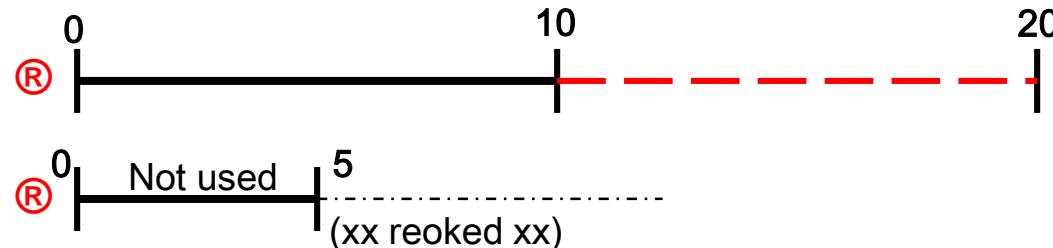
- “Coca Pola” – likelihood of confusion with “Coca Cola”,
- “Starsbuck” – likelihood of confusion with “Starbucks”.
- “Spicy Sauce” for Tomato juice – descriptively mis-descriptive of the product.
- **Market surveys, sales volumes** can be used to prove an owner’s case in court.



Trademark Act

Singapore: Subject Matter

- 9.2: Ownership, Rights & Limitations
- A registered mark is a personal property – has exclusive right to use.
- Owner can grant licenses to others.
- Registration is valid for 10 years – and is renewable every 10 years.
- A registered trademark may be revoked if it is subsequently shown that there was no genuine use within 5 years or non-use for an uninterrupted period of 5 years from the completion of registration and there is no proper reason for non-use.



Trademark Act

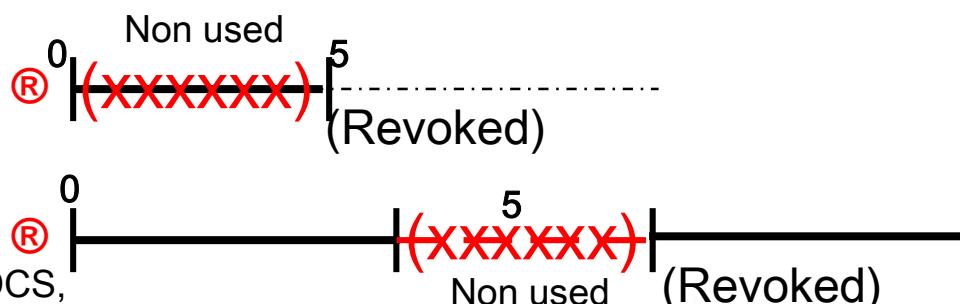
14 Section 22(1)(a) and (b), (2), (3) and (4) of the Act reads:

22.—(1) The registration of a trade mark may be revoked on any of the following grounds:

(a) that, within the period of 5 years following the date of completion of the registration procedure, it has not been put to genuine use in the course of trade in Singapore, by the proprietor or with his consent, in relation to the goods or services for which it is registered, and there are no proper reasons for non-use;

(b) that such use has been suspended for an uninterrupted period of 5 years, and there are no proper reasons for non-use;

...



Trademark Act

Singapore: Subject Matter

9.3: Remedies

Infringement to use registered marks without permission – it caused confusion to the public.

- Owners – can use injunctions to restrain unauthorized usage. (禁令)
- Other penalties include accounting for profits, delivery and destruction of infringing articles and up to SGD 1 million if involved use of *counterfeit trade marks*.
- Usage of registered marks not an offence in limited situations such as reporting news, non-commercial purpose etc.

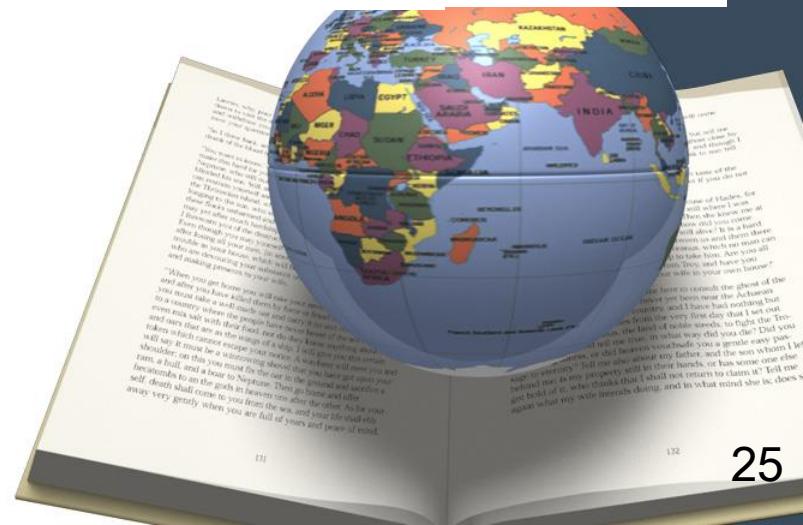
Trademark Act

Singapore: Subject Matter

9.3: Remedies

.Criminal proceedings by owners

- Fines of up to SGD 100,000 or 5 years imprisonment.
- Custodial sentence is the norm unless the infringing articles are small quantities - public policy of promoting Singapore as an IPR hub.
- Further reading: (Ong Ah Tiong v PP) (2004).



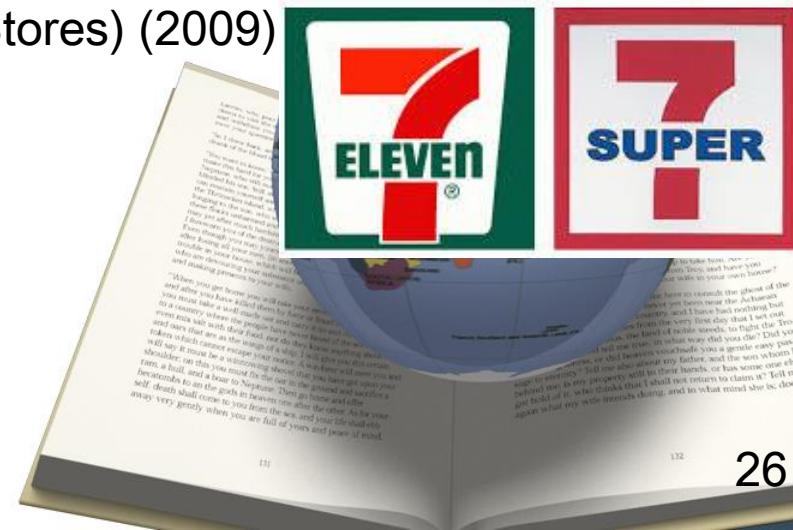
Trademark : Passing Off

9.4: Singapore: Common Law : Passing Off

- An actionable tort to represent for trading purposes the goods or business – from another party.

Reference cases:

- (Excelsior Pte Ltd v Excelsior Sport (S) Pte Ltd (1984)
- (Louis Vuitton Malletier v City Chain Stores) (2009)



IP : Trademark

6

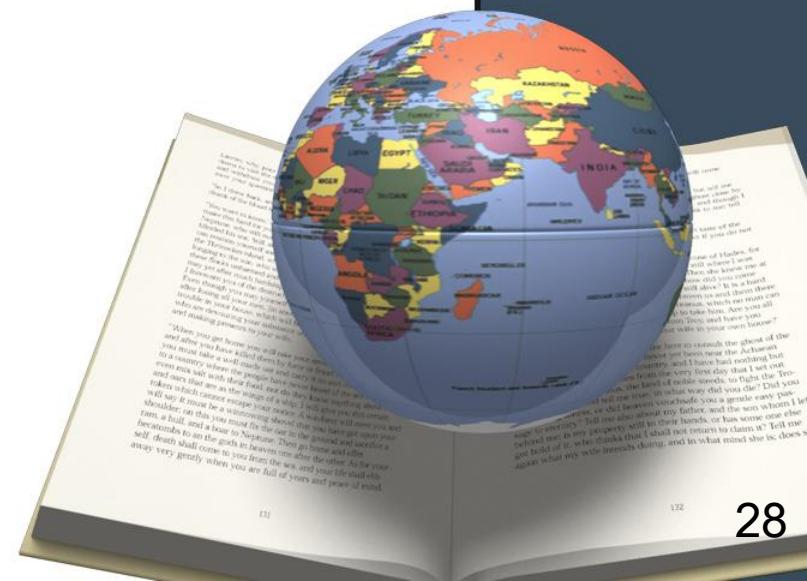
Elements of Passing Off in Trademark

Trademark : Passing Off

Singapore: Common Law : Passing Off

- Elements of Passing Off:

1. Goodwill
2. Misrepresentation
3. Damage



Trademark : Passing Off

Singapore: Common Law : Passing Off

1) Goodwill

- a) Goodwill as defined **between trader and customers**.

*(CDL Hotels International Ltd v Pontiac Marina Pte Ltd)
(1998)*

'Millennium', 'Millenium', 'Millennia', 'Millenia'

- b) Trader enjoys reputation within Singapore and has a business attached to it .
- c) This including pre-launch activities before commencing actual sale of goods or services.
- d) Burden of proof is heavy – requires extensive and long usage of mark/s to prove it belongs to owner.

- Reference cases:

- White Hudson v Asian Organisation (1965)
- Star Industrial v Yap Kwee Kor (1975-77)
- Lifestyle 1.99 v S\$1.99 (2000)

Trademark : Passing Off

Singapore: Common Law : Passing Off

1) Goodwill

Existence of goodwill

In order to bring an action for passing off, your brand must have acquired goodwill by the date on which the defendant's business or product was first launched. Goodwill has been defined as "the attractive force arising from the business' name and reputation which brings in custom". In other words, it is something that causes customers to be attracted to the business over others. It is territorial in nature. For example, you cannot sue for passing off in Singapore if your business is in Singapore but the business goodwill was not acquired in Singapore. Goodwill is a different concept from reputation as goodwill can only exist when attached to a business, while reputation can exist independently of any business.

Goodwill can exist in the brand name of your business, in logos, product packaging, and so on. Words which ordinarily describe products (eg, "freshly-baked" for cookies) may also attract goodwill if such words have become distinctive of the business rather than just being used to describe it. However, whether goodwill has in fact been attracted depends on factors such as sales volume and advertising.

Source: <https://singaporelegaladvice.com/law-articles/tort-passing-someone-imitated-branding-business/>

IT1218/IT1769, DIT/DCS,

Law & Ethics of IT, AY2018S2



Trademark : Passing Off

Singapore: Common Law : Passing Off



2) Misrepresentation

a) Misrepresentation – as to the **origin & quality** of the goods or services by using the trade marks.



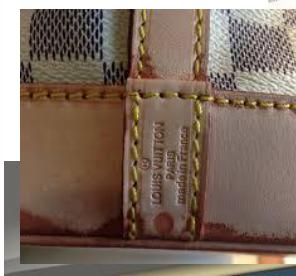
b) Public likely to be misled by such usage.



c) Lack of intention to deceive irrelevant.

•(*John Robert Power School v Tessensohn*) (1993)

1. Goods or services can be different from those provided by the owner and they need not be in direct competition to infringement



Trademark : Passing Off

Singapore: Common Law : Passing Off

2) Misrepresentation

Misrepresentation

In an action for passing off, your competitor's business or product has to have falsely represented itself as yours. Your competitor will be liable so long as there was in fact misrepresentation; he need not have intended such misrepresentation to occur.

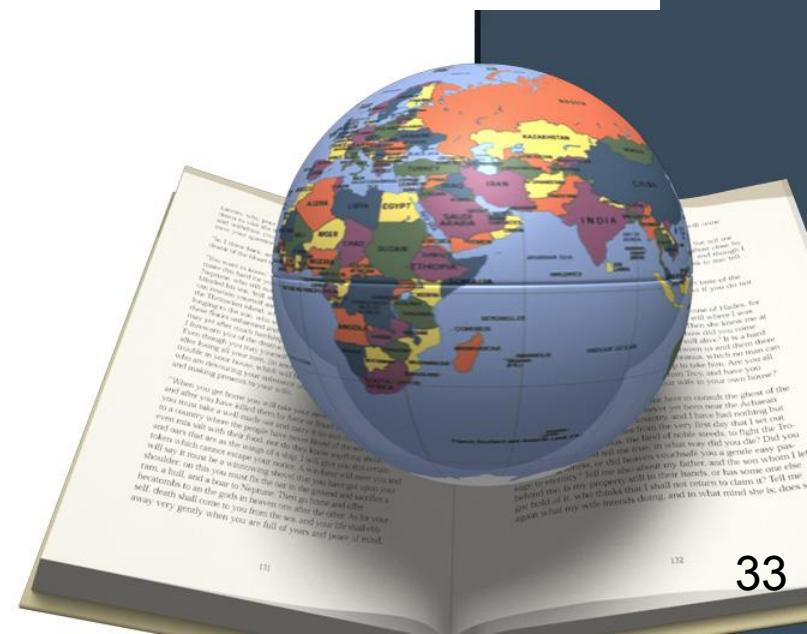
Consumers also need not get confused between the two businesses in order for the action to succeed. However, the existence of confusion points strongly towards there being misrepresentation. You and your competitor also do not have to be in the same line of business for misrepresentation to occur, but the presence of a common field of activity is a relevant factor in deciding whether confusion is likely to arise in consumers.



Trademark : Passing Off

Other Issues of Passing Off:

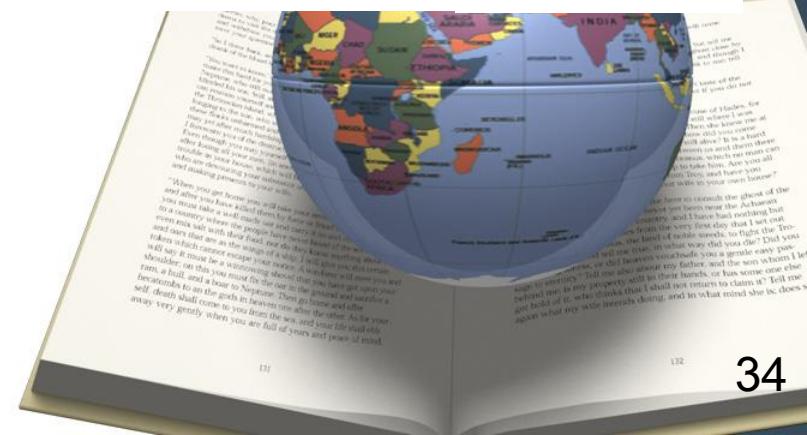
- The proximity of a defendant's field of activity to that of the plaintiff is a relevant consideration in deciding whether there is a likelihood of confusion.
- When there is a common field of activity and the parties are in competition with each other, the plaintiff's case is strengthened.



Trademark : Passing Off

Other Issues of Passing Off:

- Conversely, if the parties are *not in mutual competition*, (e.g. peanut and chocolate), it is more difficult to convince the court that there is likelihood of confusion.
- *Slight difference sufficient to claim distinction* – and therefore no misrepresentation
 - (Lifestyle 1.99 Pte Ltd v \$1.99 Pte Ltd) (2000)
 - Misrepresentation as to origin
 - Misrepresentation as to quality
 - A G Spalding v AW Gamage (1915)

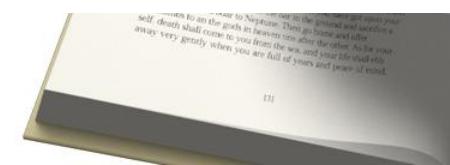


Trademark : Passing Off

Singapore: Common Law : Passing Off

3) Damage

- a) Damage – real or likelihood of damage to goodwill or loss of sales due to diversion of business.
 - Where the parties are in direct competition with each other, the court will readily infer likelihood of damage.
 - Another type of damage which the plaintiff could be deprived of is the loss of licensing revenue.
- b) Dilution of goodwill if mark symbolise **world class quality** and another party uses the mark for lower quality goods – *public maybe mislead* – leading to lowering of prestige of the owner.

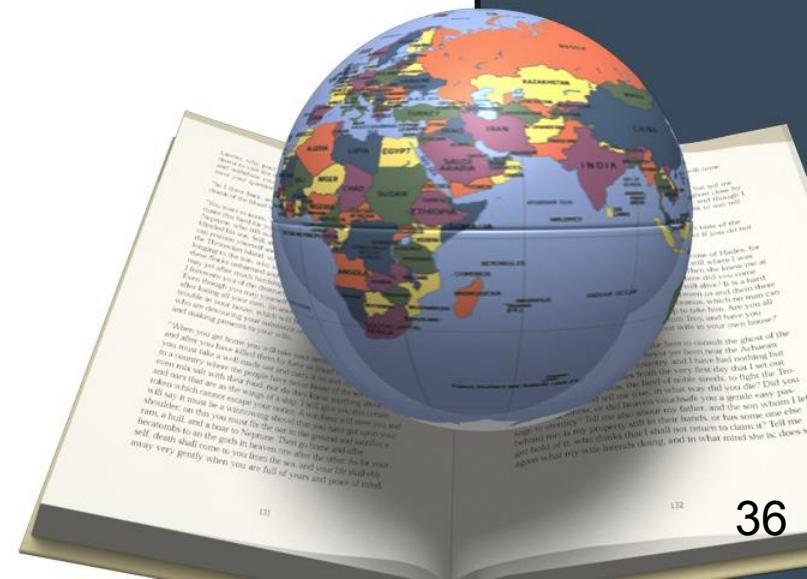


Trademark : Passing Off

Singapore: Common Law : Passing Off

9.5: Remedies

- Injunction, damages, or account of profits

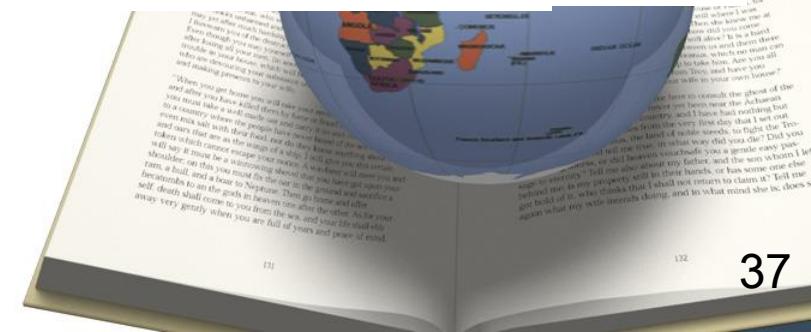


Trademark : Passing Off

Singapore: Common Law : Passing Off

Statutory Protection of Unregistered Marks

- Foreign owners of unregistered marks protected in Singapore if trade mark is *well known to relevant sector of the public*
- Entitled to protection if it *causes confusion or connection* by using the mark
- In line with international trade mark treaty which Singapore is a signatory (WIPO Joint Recommendations on protection of well known marks and Paris Convention)



End of Lecture 9

Q&A

- Trade marks and the benefits of registering it
- Criteria to be qualified as a trade mark
- Trade mark act and the common law
- Ownership, rights and limitations for a trade mark.
- Elements of Passing Off:
 - Goodwill, Misrepresentation & Damage.

