

**INTELLECTUAL PROPERTY COMMITTEE
OF THE LAW SOCIETY OF SINGAPORE**

**COMMENTS ON PROPOSED AMENDMENTS TO THE TRADE MARKS
ACT 1998**

A. Amendments to Section 3

- (1) Section 3(2) and 3(5): “*infringing goods*” and “*counterfeit goods*”

It is not clear why a distinction is sought to be drawn between infringing goods and counterfeit goods. Statutory damages can only be claimed with respect to counterfeit goods. Does that mean that a conviction is necessary before a Plaintiff can claim statutory damages?

B. Amendment to Section 5

This section has been amended to provide for the requirements to secure a filing date for filing an application to register a trade mark, as set out in Article 5 of the TLT. The requirements are set out in proposed new Section 5(2) and (4). The concern we have pertains to Subsection (4) which provides that

- (4) *The date of the application for registration for the trade mark shall be the earliest date on which*
- (a) *all the requirements under subsection (2) have been satisfied; and*
 - (b) *all the fees payable under subsection (3) have been paid.*

With e-filing, the payment of the fees is not made simultaneously with the e-filing of the trade mark application. The GIRO payment may be processed by the Registrar a few days after the date the e-filing of the application was filed. As presently drafted, subsection (4) provides that the date of the application will be given the earliest date when both requirements (a) and (b) are satisfied. Although the Registry officials have stated at the Public Engagement on 13 April 2004 that the filing date would be the date of the e-filing of the application, although the GIRO payment of the fees may be at a later date, we are concerned that with the subsection (4) as drafted with the mandatory words “shall” and the conjunctive word “and”, the Registrar may not be empowered by statute to give the earliest date of filing as the e-filing date, if the payment is made a day or two later.

Article 5 of the TLT does not provide for the mandatory requirement that the requirements and fees must be satisfied and paid respectively before the earliest filing date is accorded. Article 5 states that the

“Contracting Party” *may* accord the filing date if these requirements are met. The presence of the word “*may*” does not make it mandatory.

As such, we propose that in view of the e-filing procedures, Subsection (4) should be amended to provide that in the case of e-filing, the earliest filing date should be the date when all the requirements under subsection (2) have been satisfied and all the fees under subsection (3) be paid *as soon as practically possible*. This would not contravene the provisions of Article 5 of the TLT.

C. Amendments to Section 8

(1) Section 8(3)(b)(ii): “Well known marks”

No definition of “*well known to the public at large in Singapore*”.

The definition of “*dilution*” in Section 2(b) does not mention “*well known to the public at large*”. So, why has there been a more onerous burden placed on the proprietor in relation to Sections 8(3)(b), 27(3)(b), 55(3)(b) and (4)(b)?

How is one to establish that a mark is “*well known to the public at large*”? By survey? Fact that Singapore is such a small country would mean that a short but intense advertisement campaign may be sufficient to render a mark well known to the public at large in Singapore. Can a non-English trade mark (Chinese, Malay or Tamil etc.) ever be “well-known to the public at large in Singapore”?

(2) Section 8(3)(b)(ii)(A): “*dilution in an unfair manner*”

What is ‘*unfair manner*’? Implies bad faith? Is it necessary to include this phrase since there is no requirement for competition between the parties or any likelihood of confusion under the concept of dilution?

(3) Section 8 (3B): Test for “*bad faith*”

Does the above test for “*bad faith*” apply to Section 7(6)?

D. Amendments to Section 10

(1) Section 10(1): “*Priority*”

An application filed under the existing Act is not allowed to claim priority from an earlier Convention application if the scope of the goods/services covered in the earlier Convention application is narrower than that filed under the Act. It would appear that the intention of the amended Bill is to allow such a claim to be made. Presumably under the Bill, an application can now claim priority in respect of part of its goods/services if such goods/services are covered

in the earlier Convention application, even though the rest of the goods/services (covered under the application seeking to claim priority) are not encompassed within the earlier Convention application. This intention is however, not made clear in the Bill.

E. Amendments to Section 27

Please refer to the comments under Section 8.

F. Amendments to Section 31

(1) Section 31(5)(c)(i): “type”

This subsection states that statutory damages not exceeding \$100,000 will be awarded for each “type” of service and each “type” of counterfeit goods in respect of which the trade mark has been falsely applied. The meaning of the word “type” is vague (ie. is clothing a ‘type’? Or can it be further narrowed to Socks, Shirts, T-Shirts etc. Also, is ‘type’ categorised by ICGS class or make e.g. leather belts and leather shoes)

G. AMENDMENTS TO SECTIONS 39, 42, 43 AND 45

The proposed amendments were made to comply with the following provisions of the USSFTA:-

Article 16.2.5 - Neither party shall require recordation of trade mark licences to establish the validity of the licence or to assert any rights in a trademark.

Article 16.9.7 - Each party shall make available to right holders civil judicial procedures concerning the enforcement of any intellectual property right.

We have the following comments on the amendments:-

Amendment of Section 42

(1) The heading of Section 42 (unamended) is “*Licensing of registered trade mark*”. This heading is not amended.

(2) According to the common law of contract, it is permissible to licence an unregistered trade mark. The laws of Singapore do not make it mandatory to register trade marks. The Registry’s practice of:-

- Only recording licences against registered trade marks; and
- Allowing licences to be recorded only with effect from the date of registration of the trade mark regardless of the date of commencement of the licence as stated in the Licence Agreement

is odd as there is no good reason for refusing to register licences against pending marks. It is timely for IPOS to amend Section 42 to allow for recordation of licences against pending marks.

Amendment of Section 43

The proposed Section 43(2), (3) and (4) are unnecessary as they repeat proposed Sections 42(5), (5A) and (5B). An exclusive licence is a sub-set of licences in general. Any provision relating to licences in general will apply equally to exclusive licences.

Amendment of Section 45

- (1) Amended Section 45(5) provides that in an action for infringement brought by the proprietor and the exclusive licensee, each need not be joined as a plaintiff or added as a defendant unless the Court otherwise orders. However amended Section 45(8)(b) provides that the Court shall apportion between them the damages/ profits. Since it is not mandatory to make the proprietor/ exclusive licensee a party to the proceedings, it is difficult to justify why the Court is required to apportion the damages/ profits between them and it is also difficult to see how a party who is not a party to the proceedings may enforce such a Court order. It is suggested that the word "*shall*" be replaced by the word "*may*" to give discretion to the Court.
- (2) It is noted that the word "Court" is defined in Section 2 to mean "High Court". The effect of the definition in Section 2 is that civil action for infringement of trade marks may only be brought before the High Court (see Section 31(2)). In contrast, criminal proceedings may be brought before the Subordinate Courts as Section 53 does not utilise the defined word "Court". It is suggested that IPOS takes this opportunity to amend the Trade Marks Act to allow civil action for infringement of trade marks to be brought in the Subordinate Courts in view of its increased jurisdiction.

H. Amendments to Section 53 –

(1) Section 53A: "arrest without warrant"

Amongst others, this section gives the law enforcement agencies power to act without warrant to arrest persons caught committing the offences stated as well as to act without a warrant to search conveyances where counterfeit goods are suspected to be kept and to seize, remove or detain the goods.

However, the section is silent as to what is to become of goods that are seized without warrant, such as storage of the seized goods, the costs of doing so and the recovery of such costs. The section should be enlarged to deal with this point. Also, does not deal with situation where goods are not found on a conveyance.

I. Amendments to Section 55

(1) Section 55(2)(b) and (c): “*Protection of well known trade marks*”

In view of Section 55(3)(a), is there a need to still have Section 55(2)(b) and 55(2)(c) especially since Section 55(3)(a) appears to require a lower test of “*indicating a connection between those goods and services*” and “*likely to damage the interests of the proprietor*” as compared to “*the likelihood of confusion*”?

(2) Section 55(4): “*Protection of well known trade marks*” and “*Business Identifier*”

This provision appears to give the proprietors of well-known marks greater protection vis-à-vis the infringement provisions under Section 27 against business/Company names. Section 27 requires “*use in the course of trade*”. It is arguable that Section 27 will not apply to dormant company/business registrations.

However, if use of a ‘sign’ under Section 27 applies to Company/Business Registrations, then it would be useful to have an equivalent of Section 55(5) under Section 27.

J. Amendments to Section 82:

(1) Section 82(1)-(d): “*Notice to Director General*”

These subsections are purportedly designed to reduce the notice requirements for border enforcement. However, based on the amendments, the requirements appear to be just as onerous as the present provisions. It remains to be seen whether the notice requirements under the relevant subsidiary legislation will be relaxed.

K. Amendments to Section 93:

(1) Section 92A: “*Detention and Examination of Counterfeit Goods*”

This new section allows an officer the discretion to examine any goods including “*goods in transit*” which he reasonably suspects, are counterfeit goods. However, the provision does not state what happens after the officer exercises his discretion to examine them. Should insert

a provision similar to 93A (2) for the Director-General to provide notice to the proprietor of the registered trade mark.

L. Suggested Amendments not included in Bill

Since the Amendment bill has not been finalised, it is suggested that provisions be included to cater to the following points which remain thorny issues for IP rights owners:

- (a) A provision which abolishes the privilege against self-incrimination in intellectual property matters.
- (b) A provision which clarifies whether similar goods can be seized in Search Warrants
- (c) A provision in cases of private prosecutions to allow for storage, destruction and legal costs to be awarded in the event of a successful prosecution.

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