

UPDATES FROM IPOS

MAY 2023

Dear readers,

Here is this month's update on IP/IT dispute resolution in Singapore. And for those of you who attended INTA, we hope you had a good conference!

First Court decision on the "Simplified Process" / "Fast Track"

• <u>Tiger Pictures Entertainment Ltd v Encore Films Pte Ltd</u> [2023] SGHC 138

This is the first case relating to the simplified process under Part 2 of the Supreme Court of Judicature (Intellectual Property) Rules 2022. The Court case summary is included within the link above. Given the importance of this case, we set out an abridged version of the Court summary for your convenience.

The dispute between the parties concerns the rights to a popular Chinese film, "Moon Man". The claimant, Tiger Pictures Entertainment, was the exclusive licensee of the distribution rights, reproduction rights and publicity rights in respect of the film. It entered into negotiations with the defendant, Encore Films, to discuss the possibility of entering into an agreement to distribute "Moon Man" in Singapore. The negotiations took place over WeChat and email. The parties disagreed as to whether a binding agreement was reached; the claimant's position was that no contract was formed, while the defendant contended that an agreement had been reached and proceeded to screen "Moon Man" in Singapore. The claimant then sued for copyright infringement and invoked the application of the simplified process under Part 2 of the Supreme Court of Judicature (Intellectual Property) Rules 2022. The defendant denied liability and brought counterclaims for making groundless threats and for infringing the defendant's copyright in another film. The defendant also applied for an order that the simplified process should not apply to the claim.

In the result, the court dismissed the defendant's application and allowed the claim to proceed under the simplified process. In a nutshell, the rationale behind the simplified process is to ensure that parties may continue to access the courts in a cost-effective and expeditious manner, which will be especially useful for less well-resourced parties such as individuals and SMEs, who may otherwise be unable to enforce their valid intellectual property rights. The cases which are found suitable for resolution under this process will receive all directions, as far as practicable, at a single case conference and be subject to fixed and capped costs. The judgment makes clear that there are three cumulative conditions which must be fulfilled before a claim is deemed suitable for resolution under the simplified process. First, it must involve an intellectual property right (here: copyright infringement). Second, the monetary relief claimed does not or is not likely to exceed \$500,000 (unless

1 Paya Lebar Link #11-03 PLQ 1, Paya Lebar Quarter Singapore 408533 parties agree). This second requirement was also satisfied—the claimant had filed and served the form to abandon relief above \$500,000 whilst the defendant had failed to particularise its purported losses and the judge found that it was unlikely that the counterclaims would exceed that sum of money. Third, the court must make a decision on the suitability of the claim based on all the factors in totality. Greater emphasis should be placed on the three factors in rr 4(1)(c)(i) to 4(1)(c)(iii) of the Supreme Court of Judicature (Intellectual Property) Rules: whether a party can only afford to bring or defend a claim under the simplified process, the complexity of the issues and the estimated length of the trial. The fact that a party can only afford to bring or defend a claim under the simplified process will favour the application of the simplified process. That said, most cases will likely turn on the complexity of the issues and the estimated length of the trial. On the facts, the issues were "neither legally nor factually complex" and the estimated length of the trial was also not expected to exceed two days. Most communications between the parties had taken place through WeChat messages and e-mail, which meant that the parties' witnesses were not required to testify on a wide range of factual issues. Finally, the quantum of the claimant's claim rendered it suitable for the simplified process.

The penultimate paragraph of the decision also contains an important exhortation, which practitioners may find useful when advising clients.

[38] It bears repeating that the ultimate purpose behind the simplified process is to increase access to justice by ensuring that costs and time spent are kept proportionate to the complexity and value of a claim. This ensures that the resources of the judiciary and the parties are appropriately allocated. It also encourages intellectual property right holders to defend their intellectual property rights without the attendant fear of facing a long-drawn trial and a disproportionately large sum of costs (especially in the event they lose). In my view, the courts play a crucial role in facilitating this process. This involves actively identifying and moving suitable cases under the simplified process. To this end, I emphasise that parties should not be allowed to hold the courts hostage by insisting on dragging a relatively simple matter through the normal route. The courts should therefore be assiduous in examining and, necessarily, estimating the means of the parties, the complexity of the parties' respective claims and the time required for their resolution, even at an early stage of proceedings.

Collaboration with WIPO

• Joint WIPO-IPOS Open-Ended List of Experts Specialised in IP Valuation

IP valuation expertise is increasingly relevant given the global rise in IP and technologyrelated disputes. Just this year in Singapore, there were a number of public court decisions relating to Intangible Assets (IA), including IP, where expert evidence on the valuation of IP was critical. For example, a recent judgement between Towa Corp and ASM Technology ([2023] SGHC 99) involved the calculation of damages for patent infringement. It is against this backdrop that IPOS and the World Intellectual Property Organization (WIPO) have collaborated to offer a Joint WIPO-IPOS Open-Ended List of Experts Specialised in IP Valuation. The list, which is featured on the IP Valuation section of the WIPO <u>site</u>, is available at the following <u>link</u>.

Recent Court decisions

Dr. Who Waterworks Pte. Ltd. & 2 Ors v Dr. Who (M) Sdn. Bhd. & 3 Ors [2023] SGHC 156

This case involves various claims and counterclaims in intellectual property, contract and tort—all relating to the trade mark "DR. WHO" in connection with bottled water. The parties to the suit once had a commercial relationship which later broke down, resulting in, among other things, a lawsuit in Malaysia. Subsequently, the parties entered into a deed of settlement / co-existence agreement. In essence, the deed made clear that the plaintiffs had the right to own and use "DR. WHO" in Singapore and any other jurisdiction (except Malaysia), whereas the defendants held the rights to "DR. WHO" in Malaysia. Sometime after, the plaintiffs discovered that the defendants had used "DR. WHO" in Singapore and commenced proceedings. The General Division of the High Court allowed the plaintiffs' claims for trade mark infringement and passing off, but dismissed the other claims and counterclaims brought by the parties.

Deutsche Telekom AG v The Republic of India [2023] SGHC(I) 7

The Singapore International Commercial Court has dismissed India's application to resist enforcement of a Swiss arbitral award made in favour of Deutsche Telekom in connection with a bilateral investment treaty between India and Germany. The dispute is in the field of satellite-terrestrial communications and involves related technologies / intellectual property rights. A case summary is included within the link above.

CNA v CNB and anor and other matters [2023] SGHC(I) 6

The Singapore International Commercial Court has dismissed applications to set aside an arbitral award on the basis that the tribunal lacked jurisdiction to determine the dispute. The arbitration was between Korean and Chinese companies in the field of computer and mobile games. The long running multi-national dispute arose in connection with a software licensing agreement relating to a massively multiplayer online role-playing game and involved intellectual property rights. A case summary is included within the link above.

Recent IPOS decisions

Nidec Control Techniques Limited v Uni-Drive Systems (S) Pte Ltd [2023] SGIPOS 8

This was an unsuccessful non-use revocation action against the registered trade marks "UNI-



DRIVE" and "

", both registered in Class 7 for mechanical power transmissions and related products. One of the key arguments raised by the applicant seeking revocation was that the evidence did not show that the marks had not been affixed onto the goods. However, this contention was rejected since there was other types of evidence of use in connection with the goods in question.

• Coinbase, Inc. v bitFlyer Inc. [2023] SGIPOS 9 (case summary here)

This case saw two major cryptocurrency exchanges in a dispute over the registered trade mark "coinbase", which bitFlyer, a Japanese company, had obtained in Singapore in respect of classes 35, 38 and 42 since 3 February 2016. Coinbase, Inc., a leading US platform, successfully applied to invalidate the trade mark on grounds that the Japanese company had applied for "coinbase" in bad faith. The hearing officer also found that bitFlyer did not intend to use "coinbase" in respect of certain services in Class 35 and 42 which are very far removed from the cryptocurrency business.

• In the matter of a trade mark application by Louis Vuitton Malletier [2023] SGIPOS 10



Can "

which is essentially a pattern comprised of Louis Vuitton's flower

quatrefoil marks (viz. **V** and **V**), be registered as a trade mark for a wide variety of goods in classes 9, 14, 18 and 25? The trade mark examiner considering LV's mark refused to allow the application to proceed to registration. LV requested for an ex parte hearing. However, it did not file any evidence of use, arguing instead that the pattern was inherently distinctive. After consideration, the hearing officer allowed the application to proceed in classes 9, 14 and 18 in relation to a much narrower band of products on the basis that: (1) these products do not normally bear any patterns at all; and (2) the pattern sought to be registered is fanciful, unusual and/or arbitrary, or departs from the norm or customs of the relevant sector. (See [51] of the decision and related discussion.)

• ZERODENSITY YAZILIM ANONIM SIRKETI v Novel Brands USA LLC [2023] SGIPOS 11

This opposition was against the Singapore designation of an international registration. The mark in question is "REALITY ENGINE", filed in Class 9 for "downloadable and recorded computer software". The applicant for the "REALITY ENGINE" mark intends to use it for software products sold directly to consumers and developers, to make it easier for them to prototype and produce high-quality augmented reality experiences. However, its goods are still in the development stage.

The opponent is in the business of developing broadcasting products and solutions in the field of augmented reality, live events and e-sports, among other things. The opponent has a non-exclusive distributor based in Singapore named Cgangs International. In 2019, the opponent, together with Cgangs, Mediacorp and ITE College Central, collaborated on the 2019 Countdown Show which aired on Channel 5 to the public in Singapore. For the event, a photo-realistic 3-D mermaid was seen swimming around the arena; a performance made possible by the opponent's "reality engine" hardware and software.

The hearing officer found, on the evidence, that the opponent had used "reality engine" in respect of software in Singapore and that it enjoyed the requisite goodwill. The opposition was allowed on the basis of passing off and the application was refused registration in Singapore.

Appointment of Justice Dedar Singh Gill to WIPO Advisory Board of Judges

On 15 May 2023, the Supreme Court of Singapore announced the appointment of Justice Dedar Singh Gill to the World Intellectual Property Organization (WIPO) Advisory Board of Judges for the 2023-2024 term. This is the first time a sitting Intellectual Property Judge of the Supreme Court of Singapore has been invited by the WIPO to serve on its Advisory Board of Judges.

Here is the <u>link</u> to the Supreme Court media release.

Featured article

• Saw, Cheng Lim and Chan, Zheng Wen Samuel, The Subsistence and Enforcement of Copyright and Trademark Rights in the Metaverse (May 19, 2023). SMU Centre for AI & Data Governance Research Paper No. 03/2023, Available at SSRN: <u>here</u> or <u>here</u>.

The article abstract is reproduced below. (The full article can be downloaded from the above link(s).)

The metaverse has been widely hailed as a symbol of technological progress, presenting an immersive virtual realm that has the potential to transform how individuals engage in social and commercial activities. However, this conception of a borderless virtual world - which purportedly transcends the capabilities and reach of Web 2.0 - sits uncomfortably with the territorial nature of intellectual property rights. This chapter examines the complexities surrounding the subsistence and enforcement of intellectual property rights within the metaverse, with a specific focus on copyright and trademarks. Especial attention is paid to issues concerning choice of law and jurisdiction. Finally, the authors conclude with two recommendations which aim to facilitate and supplement the application of existing rules in addressing copyright and trademark infringements in the metaverse.

Featured event

• SIAC Academy Specialist Arbitration Series: Part 5: Intellectual Property, Technology and Cryptocurrency Arbitrations (Virtual Edition)

We are pleased to share that our friends at the SIAC Academy are conducting a virtual seminar on the above topic on 27 September 2023 from 3 to 6pm. More details are available through the sign-up link: <u>here</u>.

MinLaw-IPOS IP&Tech Dispute Resolution Brochure (updated May 2023)

In March, we mentioned that we had recently updated the MinLaw/IPOS brochure: "<u>SINGAPORE A</u> <u>World Class Venue for IP & Technology Dispute Resolution</u>". We've since made minor updates, the most significant of which is the addition of a page at the end with quick links to the dispute resolution clauses of interest. The Chinese brochure, available <u>here</u>, has likewise been also updated. Please feel free to circulate the brochures with your stakeholders, colleagues and contacts.

If you know of anyone that would like to be added to this mailing list (which deals primarily with IP/IT dispute resolution in Singapore), please drop us a note at <u>ipos_hmd@ipos.gov.sg</u>. IPOS also separately maintains another mailing list for circulars, legislative amendments and other related matters which you can join by contacting <u>news@ipos.gov.sg</u>. For any comments or feedback (or to draw our attention to any interesting news we might have missed), please email <u>gabriel_ong@ipos.gov.sg</u>. Archived copies of our previous updates are available at the following <u>link</u>.