



Recent Developments in Trade Mark Enforcement

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Introduction

In recent times, Singapore's undisputed position as a global leader in shipping and intellectual property has come under substantial challenge. In light of the growing competitiveness of its South East Asian neighbours, Singapore has had to constantly upgrade itself and embrace new ideas to stay competitive. Likewise, the courts have not stood still, and have actively sought to ensure its jurisprudence and laws remain current and relevant.

In the first case of its kind, the Court in *Louis Vuitton Malletier v Megastar Shipping Pte Ltd (PT Alvenindo Sukses Ekspres, third party) and other suits* [2017] SGHC 305 ("**Louis Vuitton Malletier**") was invited to consider how the the Trade Marks Act (Cap 332, Rev Ed 2005) (the "**TMA**"), which provides border enforcement agencies with greater authority to detain and inspect suspected counterfeit goods, might affect the substantial rights of trade mark holders to bring infringement proceedings against offenders.

In *Louis Vuitton Malletier*, a local freight forwarder ("**Megastar**") was engaged by a third party based in Batam to transship goods through Singapore from China to Batam. Upon arrival of the goods in Singapore, the custom authorities inspected the goods and found that they were counterfeit. Thereafter, they notified the relevant trade mark owners, (the "**Plaintiffs**"). The Plaintiffs then brought infringement proceedings against Megastar under section 27(1) read with 27(4)(c) of the TMA, which read as follows:

27. -(1) A person infringes a registered trade mark if, without the consent of

the proprietor of the trade mark, he uses in the course of trade a sign which is identical with the trade mark in relation to the goods or services which are identical with those for which it is registered

27.- (4) For the purposes of this section, a person uses a sign if, in particular, he:

(c) imports or exports goods under the sign.

In finding Megastar not liable to the Plaintiffs for trade mark infringement, the Court made several notable findings.

First and most significantly, the Court held that the word "import" under the TMA was immensely broad in ambit. Relying on section 2(1) of the Interpretation Act (Cap 1, Rev Ed 2002) as well as the decision in *Trade Facilities Pte Ltd and others v Public Prosecutor* [1995] 2 SLR(R) 7, the Court found that "import" simply meant to "bring or cause to be brought into Singapore by land, sea or air in the course of trade". This extremely wide ambit essentially meant that any transshipment arrangement (including Megastar's) would constitute an importation of goods for the purposes of the TMA.

Secondly, the Court discussed the issue of whether Megastar could be considered as an "importer" for the purposes of the TMA. At

the outset, the Court held that such a question would be highly fact-sensitive, as considerations such as the nature of the underlying transport transaction or the actual role of the defendant in the arrangements would play a great role in the determination. On the facts, Megastar was not considered as an “importer”, primarily as it had acted solely on the instructions of the third-party at all material times, and did not participate in making of the shipping arrangements or packing of the goods. Moreover, the Court further emphasized that Megastar was never in physical possession of the containers housing the counterfeit goods, and was merely a freight forwarder, both in name and substance.

Discussion

In this decision, the Court also acknowledged the difficulties that intellectual property owners might face in enforcing their rights against infringing parties. In particular, the Court highlighted two parties against whom intellectual property owners might seek recourse:

- a. Manufacturers in the country or place of manufacture; and
- b. Importers and traders in the country of importation or the country where the goods are intended to be released into the market.

The Court noted that both options present their own significant challenges, stemming from institutional constraints and non-uniformity in enforcement provisions across different jurisdictions. Among other things, these trade mark owners would need to ensure that:

- a. Their trade mark is registered in that particular country;
- b. They are able to commence an action in that country;
- c. They are able to correctly identify the relevant parties to sue; and
- d. The enforcement mechanisms and institutions are willing and capable of carrying out any consequential orders.

Due to such difficulties, the Court indicated its endorsement of using customs “choke points” as a form of recourse, as embodied in the TMA. By intervening either upon arrival before the product is released into the market or before the product is shipped out, the relevant authorities are able to effectively monitor and, where necessary, inspect, detain and seize counterfeit goods in the most efficient manner. In the process, this approach also provides a focal point for the various trade mark holders to intervene and hold the relevant parties liable when needed.

Conclusion

Moving forward, trade mark owners will need to exercise greater care in ensuring that the party they are seeking to sue falls within the definition of an “importer” under the TMA. Pursuing the right party to sue will be paramount in such infringement proceedings.

This decision also provides helpful guidance to freight forwarders seeking to minimise their exposure to legal proceedings. A well drafted contract which clearly sets out the role and obligations of the relevant parties may be helpful to that end. Furthermore,

parties might also benefit from proper documentation of each step in the transport process.

Louis Vuitton Malletier further provides a useful guide as to the Court's approach towards the importation of counterfeit goods under the TMA. By setting out the operative factors in ascertaining the identity of an importer, this decision brings legal clarity to a crucial element of the TMA.

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