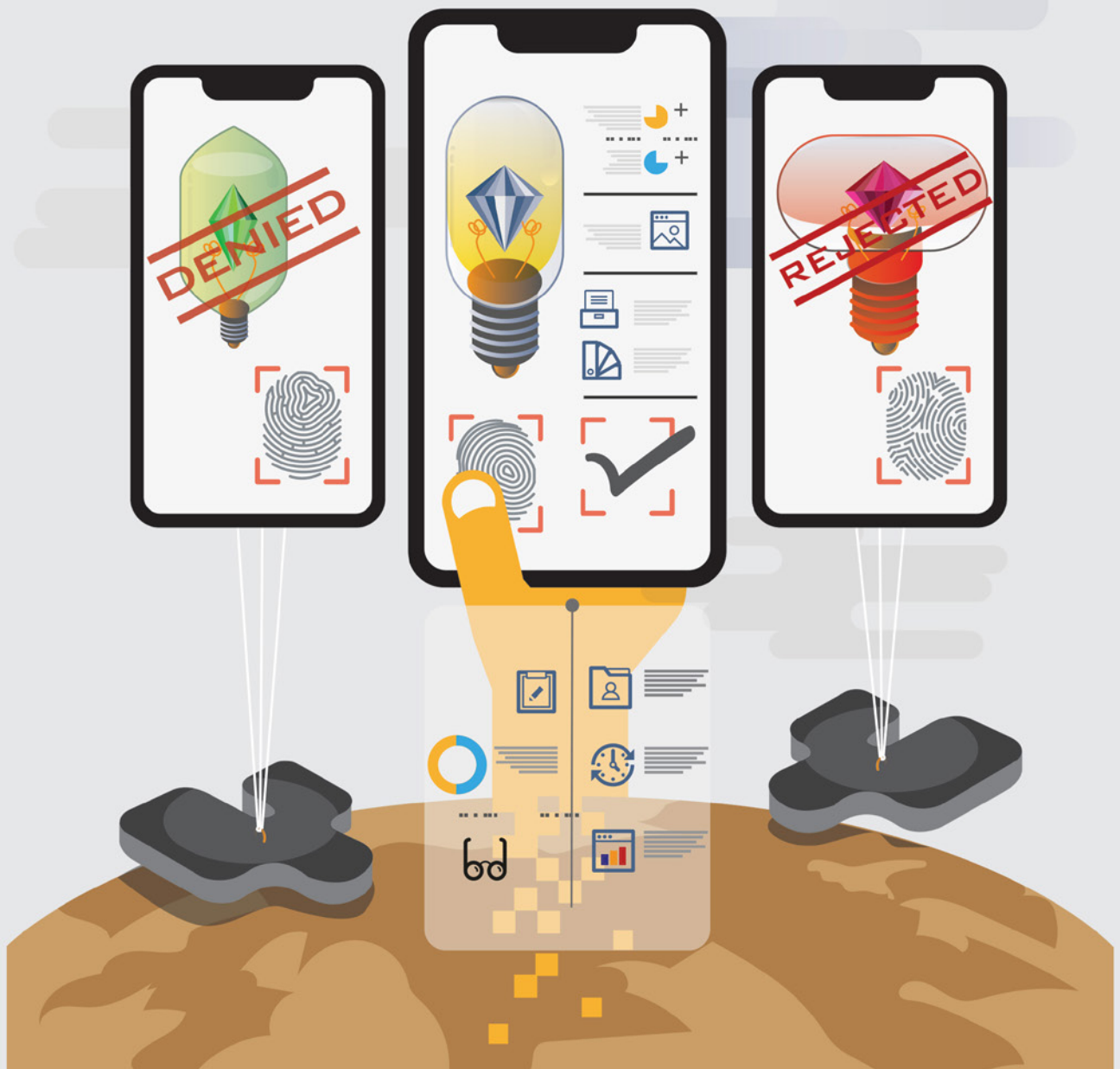


UPHOLDING YOUR IP RIGHTS

How to tackle infringers and defend your IP against attack





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Introduction

Intellectual property (IP) is of vital importance because it can provide your business with monopoly rights to your creations or in the case of patents, negative rights to exclude others from doing things with your inventions. These rights have value because they have the backing of the law to enforce them if required.

Marking your goods appropriately can make the public aware that your products are protected by IP and help to deter copying. While most companies do not need to enforce their rights very often, there are times when it becomes necessary to take a stand. This does not mean that you have to end up in the courts, because there are several much less costly options, but it does require you to take action.

This guide outlines the main routes you can use to enforce your IP if you think that someone else is encroaching on your creative or inventive work.

Chapter 1 sets out the reasons why having the right to enforce your IP is so important. It examines the role of IP in driving business value and the consequences that may follow if you fail to enforce your rights when they are infringed. The chapter includes suggestions on how you can increase the deterrent effect of the IP you own to reduce the chances that proactive enforcement measures will be necessary.

The actions which constitute infringement are examined in **Chapter 2**, broken down by type of IP right. This chapter also discusses which actions are also considered a criminal offence in Singapore.

Chapter 3 offers practical tips on how you can use your IP to create barriers to entry around the scope of your commercial activity without court action. Examples include how to remain vigilant on new applications being filed by competitors or others for similar or identical trade marks and how these can be opposed during the registration process; how domain name registrations that contain your trade mark can be prevented; and how to submit observations during the patent examination process.

Chapter 4 sets out the options available if you have to enforce your IP rights. In addition to court action, the chapter discusses mediation and arbitration options. Each type of IP has its own special circumstances and additional enforcement options, which are also examined. Consideration is also given to funding your enforcement actions.



Produced by **IPOS International**, these intellectual property management (IPM) business guides aim to deliver a suite of IP solutions for enterprises based on industry best practices. As the expertise and enterprise engagement arm of the Intellectual Property Office of Singapore (IPOS), IPOS International helps enterprises and industries use IP and intangible assets for business growth. Some of these engagements may be eligible for Enterprise Singapore (ESG) funding, such as the intangible asset audit and strategy development aligned with business goals. IPOS International's business portal www.iposinternational.com also contains case studies and videos of enterprises leveraging IP to gain a competitive edge in their innovations. Should you have questions on IPM matters or wish to speak with our Intellectual Property Strategists, do email us at enquiry@iposinternational.com or call **+65 63308660**.



Why does IP enforcement matter?



01



1. Why does IP enforcement matter?

Why is IP valuable and worth enforcing?

IP underpins the Unique Selling Points (USPs) of a business. It provides a means to prevent others from copying the key features or properties of the products and services that maintain and grow the company's position in the marketplace.

IP is part of your promise to customers. They may come to rely on your product, process, design, brand, code, or publications. In terms of your brand, for example, if someone passes their products or services off as yours, it could lead to loss of income. Furthermore, you may be trading in a sector that relies on regulated and safe products, so any purchase of a low-quality copy by an unsuspecting customer who has been deceived into buying a copycat could harm more than just your reputation.

For a host of commercial reasons, IP and the wider category of intangibles are extremely valuable assets for any company. As World Intellectual Property Organisation (WIPO) research confirms, IP and intangibles are often the most valuable assets companies own. It is therefore vital to protect and look after them.

*Two accompanying guides—**Safeguarding Your Competitive Edge** and **Unlocking Your Hidden Value** set out in more detail what IP and intangible assets are, how IP creates value and how its worth can be estimated and leveraged.*



The value of your IP rights is likely to change over time because it is linked to the way your company uses them and the benefits it derives from them. Of all the external events that might affect your IP value, the strongest influence will be whether your rights would prevail if challenged in a court of law. This is because it is never possible to be 100% certain no-one else can challenge their validity until this assumption is tested. If you can prove your IP is valid and enforceable, you can expect its value to increase substantially.

An IP owner is likely to use the law in two main scenarios. The first is when the rights holder is accused of infringing a third party's IP and defends itself against the allegation (you will hear this referred to as 'defence'). The second scenario is when the rights holder suspects a third party of infringing its rights, and wishes to use the courts to seek redress (this is often called 'pursuit').

Several options are available to enforce these rights, which are explored in more detail in this guide. Whichever route you go down, it is vital to have a strong IP position.

What role does enforcement play?

IP is backed by powers that allow you to enforce your legal rights in the courts, should you need to do so. Without these rights and legal recourse, there would be nothing to stop a potential infringer from using or copying your IP without permission. Enforcement is, therefore, a vital right given to IP holders.

It should be noted that often companies may only undertake an enforcement action as a 'last resort' when other methods of resolving IP disputes have failed. However, unless you have a credible threat to sue infringers, your ability to reach a mutually acceptable conclusion will be severely compromised. In such a situation, the other party will not be adequately motivated to engage in meaningful discussion, because there will be no 'bite' to match your 'bark'.

Without this credible threat, the benefits that you can obtain from your IP rights ownership will be limited to marketing. You will be able to show that your products or services are innovative; you just will not be able to stop other people benefiting from your hard work. Additionally, the ability for you to demonstrate having an 'innovative' product or service will be eroded over time if there are a lot of copycats flooding the market—what you have can no longer be considered innovative if everyone else can do the same thing.

IP enforcement options should, therefore, be seen as strategic weapons by a business—to be used sparingly, but also to be part of the 'toolkit'. When embarking on the IP journey, and at regular intervals, it is important to think strategically about how you would handle a dispute, what routes you would pursue, how you would fund an action, and how strong your legal position really is. When you know what your enforcement options are and what they entail, you will be better equipped to take a strategic approach to IP and its management, and to make good decisions regarding which rights to obtain.



Enforcement is part of treating IP as a valuable business asset rather than a purely legal construct. You wouldn't let someone walk off with your stock: so why would you let them walk off with your ideas?

Do IP rights act as a deterrent?

Arguably, in an ideal world, there would be no need to enforce IP rights because everyone would have the utmost respect for them and would not infringe them. Unfortunately, we do not live an ideal world; the nature of competition, of innovation, and of IP itself means that some level of contention is almost inevitable.

There are some actions that you can take to maximise the deterrent effect of the IP rights that you have. The most important of these is to make sure you put other people on notice of their existence. You may find the checklist at the end of this chapter helpful to confirm that you have done what you can to make your rights obvious and discourage others from infringement.

1. Why does IP enforcement matter?



The primary reason infringement exists is because you will very seldom be the only supplier to a given market. Other companies will be working to satisfy customer needs, as you are, and it is not unusual for people skilled and knowledgeable in a particular area to gravitate towards similar solutions. This is just the way companies compete and innovate.

The competitive process of development can often translate into a multitude of IP rights in a single product. However, you may not be able to examine these potential overlaps in detail and understand whether these have implications for your business until patents are filed, brands are launched or product designs appear. This is because it is in all parties' interests to keep their R&D plans secret for as long as possible.

A prime example of overlapping IP can be found in the smartphone sector. It has been estimated that contemporary devices rely on up to 250,000 patents, many of which originate from different manufacturers and suppliers. Industry standards that power other devices may also require the use of many different patents which have to be licensed under FRAND principles. Hopefully, your business will not find itself in such an intense 'thicket' as this.

*Fair, Reasonable And Non-Discriminatory (FRAND) licensing is described in more detail in an accompanying guide in this series—**Unlocking Your Hidden Value** dealing with IP valuation.*



There is a secondary reason infringement exists, which concerns the nature of IP. Subjectivity can never be eliminated in terms of whether rights should be granted or registered if only because the information used to make such decisions is never perfect or complete. This is evident in the examination of patent 'inventive step', and consideration of whether a copyright work is truly original (i.e. does 'substantially similar' copyright work exist?). It is therefore possible for conflicting claims to emerge regarding inventions, designs or original creative works, and it may take a court to sort them out.

What could happen if I don't enforce my rights?

If your company is falsely accused of infringement and you do not defend it, or if you suspect someone is infringing you and you choose not to act, the consequences can be serious. As well as a loss of opportunity, or risk that competition in your space will intensify, there is the risk that your company will become known for not enforcing its rights. This will remove the deterrent effect your IP has in the marketplace.

Disputes are unpleasant. They are also costly, time-consuming and can be a massive distraction for a business. It is therefore tempting to actively avoid disputes, by ignoring infringement and not defending your company from spurious allegations of infringement brought by third parties. This approach, however, carries many risks.

Once an infringement is detected, if you do not act promptly, you could lose your right to bring an action for the infringement over time. Not acting is considered to be acquiescing to the infringer's activity; it is interpreted as an active decision not to act, and so is akin to giving in without a fight.

One of the equitable principles on which Singapore law is based is that "Equity aids the vigilant not the indolent", or, "Delay defeats equity". If you do not act swiftly, once a wrong-doing has been discovered you may lose the right to equitable relief. Furthermore, many of the IP laws in Singapore have statutory limitations on the time during which an action can be brought for infringement, such as six years from the date on which the cause of action arose for trade marks.

As noted above, one of the main benefits of owning IP is its deterrent effect. You want your competitors to think twice about copying you because they know that you have the option to sue if they do. If you become known in the industry for not robustly defending your IP position, the deterrent effects of your IP will be reduced or eliminated. Others will notice that you are being infringed and that no action is being taken and will also be tempted to take advantage of your creative and inventive work.



In practice, each case should be treated on its merits. Some disputes may be with very small entities who would not be in a position to pay damages. In other cases, your position may be relatively weak and you may assess that you have little chance of success. In such circumstances, it may be the best strategic decision to not to pursue an alleged infringer or to acquiesce to a request to cease performing a particular action. It is important to pick your battles and disputes and to ensure that you win the most important ones.






It is also important not to 'throw your weight around' and make groundless threats. There is a specific defence against groundless threats in Singapore and other countries. This point is explained further in the following chapters, but the golden rule is to make sure you seek proper legal advice.

1. Why does IP enforcement matter?



CHECKLIST

Maximising the deterrent effect of IP

IP RIGHT	ACTION	✓
Patents 	Make reference to patents that are granted or pending on your product literature, packaging and website	
	Issue news stories when your patents are granted (it may be advisable not to put competitors on notice earlier than this—in highly contested markets, you may even wish to wait until the formal opposition period has elapsed)	
	Mark your products with patent numbers, if applicable	
Trade Marks 	Use the ® symbol next to your mark in all the territories where it is registered on all goods and services, including product packaging (but remember: using the ® symbol on marks that are NOT registered is an offence, both in Singapore and other markets).	
	Use the 'TM' symbol next to any marks you consider distinctive of your organisation that are not yet registered in the territory in question (but notionally could be)	
	Add a statement to your website and your product or service literature drawing attention to the existence of your registered trade marks	
Designs 	Mark your physical products and labels with your registered design number, and state explicitly that they are registered	
	Make reference to designs that are registered on your product literature and website	
Copyright 	Place a clear statement on your website and on any promotional or product literature stating that these documents are '© [Company name] [year of creation]. All rights reserved'	
	Ensure any creative works that you sell bear a copyright statement	
	If you allow anyone else to use your IP, insist on an attribution—i.e. that your ownership of the material is asserted	
Trade Secrets 	Write 'Private and Confidential' or equivalent on documents which contain anything you consider to be a trade secret	



What acts are considered infringement or criminal acts?



02

2. What acts are considered infringement or criminal acts?

What does 'IP infringement' actually mean?

As its name suggests, IP is a type of property, which belongs to a specific person or corporate body. As with all property, unlawful use of it by a person or corporation is not permitted, as this runs counter to the law. Being an intangible (non-physical) asset, however, the unlawful uses for IP are different; they are generally summarised under the heading of 'infringement'.

Like all other types of property, IP has an owner who can control when and how it is used. Unauthorised taking of a car is usually considered theft. You are not allowed to steal IP either, but since you are not removing anything physical when you do so (the original asset still exists in the same place or places it was previously), the law has to be applied differently.

The law also has to cater for contention. It is usually reasonably straightforward to determine whether a specific car taken from your possession is the same one that a thief is now driving. However, if someone steals your design, they may use it to create something that is physically new and somewhat different that has never been in your possession.

*IP law also has to accommodate some defined types of IP re-use. If it did not, you would not be able to reference your car's make and model when you sell it or review a book using quotes from it. These are called **exceptions**—occasions when unauthorised acts are permitted by law, under specific circumstances. You can read more about them in our accompanying guide—**Keeping Your IP Out Of Trouble**.*



The acts that constitute IP infringement vary to some extent, depending on the type of right involved. These variations occur by type (whether it is a patent, design, trade mark, copyright or some other form of what would generally be considered intellectual property), and occasionally also by the jurisdiction in which the act occurs—although international treaties such as the Berne Convention and Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) mean there is a large degree of harmonisation internationally.

As an example of a variation, in some countries, it is permitted for consumers to copy music CDs to produce MP3 files that can be played on their mobile devices, whereas in other countries this is not permitted. The actions which constitute infringement in Singapore are outlined in the following sections below.



The accompanying **Going Global** guide in this series provides some detail on the differences between the laws in Singapore and those of other major markets around the globe. It also provides further information on where you are likely to find it easier or more difficult to enforce your rights.

Can IP infringements be criminal offences?

Most IP-related illegal acts performed with IP ('infringements') are heard in the civil courts. However, some acts are judged to be of such harm to society that they also constitute criminal offences, and can be tried in the criminal courts.

Singapore, like many jurisdictions, has two parallel court systems. Disputes between two parties can be heard in the civil courts. The two parties put their cases before a judge, and a decision is made as to whether a law has been breached.

When an act is considered to not only harm another party but also the fabric of society, a criminal act or an 'offence' is committed. The sanctions for criminal offences and civil infringement are very different, with the possibility of the courts imposing a prison sentence and/or a fine for criminal offences.

At present, IP disputes are heard in the High Court, State Courts and at the Intellectual Property Office of Singapore. A new bill has been passed in Parliament to consolidate most civil IP proceedings in the High Court. There is also a proposal to introduce a 'Fast Track' procedure to cater for lower value disputes and/or where parties prefer the conduct of their case to be expedited. This may be particularly advantageous for smaller businesses owing to the likely introduction of a cap on hearing durations and claim levels.

What sort of actions constitute IP infringement?

Infringement takes many forms, from using or making a product to simply holding or storing infringing goods without permission. Infringing acts are usually classified as either primary or secondary infringement, depending on whether you are the party performing the infringing act (primary) or whether your actions assist or encourage the primary infringer (secondary).

The legal protection afforded to intellectual property rights owners is wide-ranging. In general, unless covered by a specific exception, it is not permissible to do anything with a third party's intellectual property without their consent (where provided, this usually involves a licence). Typically, acts that are considered infringing involve copying, making, selling, offering for sale, importing, using and even just possessing the product embodying the IP with the intention to distribute without permission. The panel below provides an overview showing which offences apply to which rights.

2. What acts are considered infringement or criminal acts?

With registered rights (patents, trade marks and designs), ignorance is no defence against infringement. However, the extent of your knowledge can affect whether damages are awarded against you, and a lack of knowledge may limit criminal liability in relation to registered rights offences. For unregistered rights like copyright, knowledge of the previous right has to be present for infringement to be proven.

In the following sections, we examine the position for each of the main types of IP right. There are similar provisions for other, less commonly used forms of IP, including plant variety rights and layout designs of integrated circuits.

Illegal civil actions for the main registrable IP rights

If done without permission of the rights owner, subject to specific exceptions, the following acts constitute an infringement of IP rights. Note that this table does not cover acts which are also criminal, such as counterfeiting, which are discussed at the end of this chapter.

OFFENCE	PATENT	TRADE MARK	DESIGN
Make (manufacture)	Infringement—for a patented product	Infringement—if mark invalidly applied to goods being made	Infringement—for a registered design
Pre-manufactured goods		Infringement—if mark invalidly applied to goods already made	
Dispose of (sell)	Infringement—for a patented product, or a product created by a patented process	Infringement—if identical or similar mark is used in the course of trade in identical or similar goods or services	Infringement—for a registered design

OFFENCE	PATENT	TRADE MARK	DESIGN
Offer to dispose of (offer to sell)	Infringement—for a patented product, or a product created by a patented process	Infringement—if identical or similar mark is used in the course of trade on goods or services, their packaging, their advertising and any related commercial materials (e.g. invoices)	Infringement—for a registered design
Use	Infringement—for a patented product or process, or a product created by a patented process	Infringement—if identical or similar mark is used in the course of trade in identical or similar goods or services Also infringes with dissimilar goods or services if the mark has a 'reputation'	Infringement—for a registered design
Offer to use	Infringement—for a patented process		
Import	Infringement—for a patented product	Infringement—if identical or similar mark is used in the course of trade in identical or similar goods or services	Infringement—for a registered design. Also applies to export
Keep	Infringes for a patented product, or a product created by a patented process	Infringement—if mark invalidly applied to goods in your possession, in the ordinary course of business	Infringement—for a registered design (stocking the product counts as infringement)
Hire or let out in the course of business		Infringement—if identical or similar mark is used in the course of trade in identical or similar goods or services	
Supplying or offer to supply a means to enable someone to put the IP into effect in an infringing manner	Constitutes secondary infringement for a patented product or process	Constitutes secondary infringement	

2. What acts are considered infringement or criminal acts?

How does copyright infringement differ from other IP-infringing acts?

Copyright is, as the name suggests, the right the owner of the work has to stop you from 'copying' the work. Without prior knowledge of the work, copying is (by definition) not possible, and for this reason, bringing an action under copyright will be easier if it can be proven that the alleged infringer had access to it.

With regards to copyright, unless there is an exception, it is an infringement to do any of the acts listed below, or to authorise someone else to do so. As can be seen, there is a secondary as well as a primary infringement risk.

PRIMARY INFRINGEMENT	SECONDARY INFRINGEMENT
Copy, make or adapt the work	<i>Import infringing copies of a work</i>
Issue copies of the work to the public	<i>Possess, show, exhibit or distribute infringing works in the course of business</i>
Rent or lend the copied work to the public	<i>Provide (by making, selling, importing or possessing) the means for a party to make infringing copies of a work</i>
Perform, show or play the protected work to the public	<i>Permit the use of premises and/or platform for an infringing performance to be shown</i>
Communicate the work to the public (e.g. by putting it on the internet for viewing or download)	

It is important to note that as well as being infringements that can be pursued using civil proceedings, some of these may also be criminal offences, as further explained below.

The accompanying **Keeping Your IP Out Of Trouble** guide lists the statutory exceptions—these are acts that are allowed to be performed with your IP without your permission.



When does an IP infringement become a criminal offence?

Some acts are not only considered infringement but are also criminal offences. In IP law, these are primarily offences related to copyright and trade marks, as most patent and design-related infringing acts are not criminal.

Most patent-related matters in Singapore are a civil matter and criminal sanctions do not apply in relations to infringement. The exceptions for patent holders to be aware of are that you must not falsely claim that a patent is in force (or applied for) when it is not, or make false declarations to the register. There are also no criminal sanctions associated with unauthorised copying of a registered design in Singapore (though such sanctions do exist in some other countries).

There are, however, criminal offences associated with various unauthorised acts associated with trade marks and copyright. This arises from the fact that infringers are misleading the public about the authenticity of the origin or goods and as pointed out in Chapter 1, the consequences of this can be extremely serious.

Criminal offences under Singapore IP law

NOTE: *all of these assume that the acts in question are being done without the rights owner's consent.*

TRADE MARKS	COPYRIGHT
Counterfeiting a trade mark by using a sign that is the same or similar to a registered mark with the intention to deceive	<i>Manufacturing infringing copies for commercial purposes</i>
Applying a mark to either goods or their packaging that is the same or similar to a registered one on the same or similar goods	<i>Selling infringing copies for commercial purposes</i>
Falsifying a genuine registered mark by alteration, addition, effacement or partial removal	<i>Importing infringing copies for commercial purposes</i>
Making or possessing an article for committing a trade mark offence	<i>Distributing infringing copies for commercial purposes</i>
Importing, selling or offering to sell goods or services carrying a registered trade mark without the mark owner's permission	

2. What acts are considered infringement or criminal acts?

TRADE MARKS	COPYRIGHT
Using the arms or flags of Singapore that have a trade mark without permission from the Singapore authorities	
Falsifying the trade mark register or claiming to have a mark registered when you do not	



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