

Intellectual Property & Technology Review

Dear Clients & Friends

Feature article

Maximising the ownership and exploitation of intellectual property assets during an economic recession

The financial fallout continues unabated. We struggle to contemplate where and when the global economy will see the worst, but this demands an exactitude of prescience that lies well beyond conventional judgment. Most of us would be content with bracing ourselves for a year (possibly more) of gloom. Over the next 12 months prices will come down, assets will devalue, trade financing will come to an end, and with that a steadily declining GDP, particularly for trade dependent economies. The prevailing corporate wisdom demands for cash conservation, and cost cuts, including jobs and other saving measures. The halcyon days are over for now, and most commentators agree that it will get worst before it gets better.

It would be too simplistic to merely categorise intellectual property (“IP”) assets as being recession-proof. But if one was to attempt to make this argument, the starting point would be that IP assets are long-term acquisitions. Patents generally expire 20 years from the date of filing, copyright for most works lasts for 70 years post mortem auctoris, and trade marks, if maintained, may last indefinitely subject to continued genuine use and the absence of adverse third party rights. These terms of protection are such that IP assets generally survive a number of economic boom/bust cycles, prior to expiration. Long-term IP rights should not be relinquished, because you need them when the good times return. Or do you need them at all?

The current economic climate allows us to consider adopting a four-prong strategy. First, efficiently audit and take stock of the current IP portfolio, so as to secure long-term objectives. Secondly, as part of a cost cutting exercise, companies should consider outsourcing IP management and prosecution functions. Thirdly, while the values of other assets can be seen to slide during these troubled times, IP assets are no exception, and the timing may be such that unique acquisition opportunities present themselves. Fourthly, do not let up on enforcement efforts, as counterfeiting and other infringing activities may actually increase during a downturn, and rights owners should brace themselves for this. Each of these points will be addressed in turn. Please [click here](#) to read on.

Patents

Patents (Amendment) Act 2008 comes into operation on 1 December 2008: Right of Singapore Government to import relevant health products made under compulsory licence in times of national emergency

The Patents (Amendment) Bill 2008 was passed in Parliament on 25 August 2008 and gazetted as the Patents (Amendment) Act 2008 (the “**Amendment Act**”) on 3 October 2008. Pursuant to the Patents (Amendment) Act (Commencement) Notification 2008, the Amendment Act came into operation on 1 December 2008.

The Amendment Act amends the Patents Act (the “**Act**”) for the following purposes:

- To give effect to Singapore’s obligations under the Agreement on Trade-Related Aspects of Intellectual Property Rights (the “**TRIPS Agreement**”) relating to the Protocol adopted by the World Trade Organization in 2003 to amend Article 31 of the TRIPS Agreement. This amendment allows Singapore to import relevant health products made under compulsory licence, to cope with public health emergencies, subject to certain safeguards. One of the safeguards is to prohibit re-exportation of the relevant health product imported into Singapore under the TRIPS system. The amended Act also provides for remuneration to be paid to the patent owner in respect of the import or subsequent use of the relevant health product if he has not received any other remuneration in respect of that relevant health product; and
- To align the Act with the Competition Act. This amendment restricts the application of Part X of the Act, which prohibits certain types of agreements involving patented inventions believed to be anti-competitive, to only agreements made on or after 23 February 1995 but before 1 December 2008. Agreements made after 1 December 2008 are governed by the Competition Act.

On 3 October 2008, the Intellectual Property Office of Singapore (the “**IPOS**”) issued the *IPOS’ Guide to the Patents (Amendment) Act 2008* (the “**Guide**”). The Guide provides an overview of the 2008 amendments to the Patents Act. Please [click here](#) to read the full text of the Guide, which is also available on the IPOS website www.ipos.gov.sg

IPOS construes requirement to take reasonable care to pay renewal fees for patent restoration under section 39(5) of Patents Act

Re Applications to Restore Lapsed Patents in the Name of MEMC Electronics Materials, Inc. [2008] SGIPOS 11

On 1 April 2008, the Intellectual Property Office of Singapore (the “**IPOS**”) considered the question of what it means to take “reasonable care to see that any renewal fee was paid within the prescribed period”, for the purposes of patent restoration under section 39(5) of the Patents Act. The fact that the proprietor was facing financial difficulties at the time when payment became due was not, by itself, grounds for restoration under section 39. Instead, the facts in evidence had to prove that the proprietor had shown reasonable care in the context of its financial difficulties. In particular, it is worth noting that the act of prioritising other matters over the payment of renewal fees was taken as indication that the proprietor failed to satisfy section 39(5). It is also useful to note that IPOS imposed on the proprietor a heavy onus of adducing evidence to show that it had taken reasonable action to avoid becoming unable to pay. Please [click here](#) to read on.

Trade Marks

Singapore High Court holds “LOVE” mark not inherently distinctive

Love & Co Pte Ltd v The Carat Club Pte Ltd [2008] SGHC 158

On 22 September 2008, the Singapore High Court decided that a word mark comprising the word “LOVE” should be invalidated because it was not inherently distinctive, and was descriptive of one of the intended purposes of the goods. In doing so, it considered the use of the “LOVE” mark, and concluded that the use made of it had been insufficient to show acquired distinctiveness. The court also decided, in the alternative, that the “LOVE” mark should be revoked for non-use. Please [click here](#) to read on.

Should you have any queries as to how this may affect your business, please do not hesitate to get in touch with your usual contact at Allen & Gledhill LLP or any of the following:

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