LeadingLines
January 2016

JOYCE A TAN & PARTNERS

News

Patent team expands with new hire

Daniel Lee

Hot on the heels of new partner Sheena Jacob, the firm has boosted its patent practice with the hire of another patent associate Daniel Lee in January 2016. Daniel brings with him experience from both in house and law firm roles as well as his stint as a patent examiner. Said Sheena Jacob, head of the Patents Group, "We are delighted to welcome Daniel to our team. His electrical engineering technical background will be an asset to the firm."

Leading the Field

Founder Joyce A Tan, a long-standing leader in the field of IT, has been recognized as leading practitioner in Technology Media and Telecoms by Who's Who Legal yet again in 2016.

Sheena Jacob, has also been named in Who's Who Legal as a leading practitioner in both Trade Marks and Patents.

The firm has also bagged another award to kick off 2016 - **Law Firm of the Year IT Singapore 2016** – M&A Today Global Awards

NO BITE FOR ANGRY BIRDS – A CAUTIONARY TALE

Rovio Entertainment Ltd v Kimanis Food Industries Sdn Bhd [2015] SGHC 216

Joyce A. Tan / Samantha Tang
joyce@joylaw.com

The High Court in Singapore has ruled that two separate registered trade marks cannot be combined to form the basis of opposing an applicant's trade mark allegedly similar to the notional combined mark. This raises important considerations for brand owners seeking to register the component parts of a trade mark separately, purportedly with a view to securing optimal protection.

In this case, Rovio Entertainment Ltd. ("**Opponent**"), the creator of the globally successful Angry Birds franchise, had obtained separate registrations in Singapore for the following trade marks covering goods which included "flour and preparations made from cereals", as well as "bread, pastry and confectionery".

("**Red Bird Mark**")

ANGRY BIRDS

("**Angry Birds Word Mark**")

A year later, Kimanis Food Industries Sdn. Bhd. ("**Applicant**") applied to register the following trade mark, covering "flour based savoury snacks", "cereal based snack food" and "flour confectionary" in Singapore ("**Application**"):

("**Angry Bite Mark**")

Having failed to prevent registration of the Angry Bite Mark in opposition proceedings against the Application before the Intellectual Property Office of Singapore ("**IPOS**"), the Opponent appealed to the High Court against the decision of IPOS to allow the Application. In essence, the Opponent argued that the Angry Bite Mark was similar to a combination of the Red Bird Mark and the Angry Birds Word Mark which, although separately registered, were used together in practice, so that the Angry Bite Mark ought to be disallowed registration on that basis.

The Court rejected this argument, emphasising the importance of certainty as to what exactly is protected by registration; to allow the Opponent to claim proprietary rights over a composite of two separately registered marks would create considerable uncertainty and was therefore undesirable. Denying the Opponent such rights, the Court went on to separately compare each of the Opponent's registered marks with the Applicant's Angry Bite Mark, and found that there was no confusing similarity between them. The Court accordingly upheld the earlier decision of IPOS and allowed the Application.

Despite its resounding resistance against allowing protection over a combination of separately registered marks, the Court suggested in obiter that even if the Angry Bite Mark were compared against a combination of the Red Bird Mark and the Angry Bird Mark, it would have found, on the facts, that the marks were not confusingly similar. Hence, while the Opponent may not have fared any better even if it had registered a combination of the Red Bird Mark and the Angry Bird Mark, the lesson to be drawn from this case is clear – brand owners need to be vigilant in seeking registration of the various permutations of marks that they use in practice, even if these evolve over time. Indeed, the Court was explicit that this expectation of businesses would not be unduly onerous or "unfair".

SINGAPORE CONSIDERS CHANGES TO PATENTABLE SUBJECT-MATTER

Sheena Jacob / Daniel Lee
sheena@joylaw.com
dan@joylaw.com

The Intellectual Property Office of Singapore (IPOS) is proposing some changes to the examiner's guidelines on patentable subject matter, especially with regards to computer-implemented inventions. According to IPOS, Examiners will determine the extent to which the computer (or other technical feature(s)) contributes to the invention defined in the claims, with the proviso that the computer (or other technical feature(s)) is integral to the invention. For example, claims relating to a computer-implemented business method may be considered an invention if the various technical features, like servers, databases, user devices, etc, interact with the steps of the business method to a material extent (something beyond a generic computer automating the business method) and in such a manner so as to address a specific problem, like providing a more secure environment for transactions. This clarification would provide more certainty for applicants seeking to protect their inventions in this field.

IPOS has also explained its stance on the difference between an invention and a discovery, since the Singapore Courts previously made clear that discoveries are not inventions. The discovery of a particular property of a material will add to the stock of knowledge in relation to that particular substance but if that property results in the application of that substance in a new use then it may constitute an invention. For example,

the isolation of a naturally occurring material or microorganism would represent a mere discovery, however if a new use of that material is found then the use could be claimed, along with the new isolated material or microorganism, subject to the usual patentability requirements of novelty, inventive step and industrial applicability.

There are no changes to IPOS's stance on scientific theories, mathematical methods, aesthetic creations (such as literary, dramatic, musical or artistic works), methods that are considered mental acts or schemes, and presentations of information, and these are not considered patentable subject matter. We will provide further updates once these guidelines are finalised. In the event that you require more details or specific advice regarding your invention, please feel free to contact our team.

DIVISION OF MATRIMONIAL ASSETS IN SINGAPORE – A STRUCTURAL SHIFT

Malathi Das
malathi@joylaw.com

In the recent case of ANJ v ANK [2015] SGCA 34 the Singapore Court of Appeal made a landmark pronouncement that has realigned the application of the law governing the division of matrimonial assets after the dissolution of a marriage.

Under Section 112 (1) of the Women's Charter, the court has to divide matrimonial assets between parties in a just and equitable manner. This broad brush approach has been the guiding principle of division of matrimonial assets under family law in Singapore.

The section proceeds to set out a non-exhaustive list of 8 factors that the Court could take into account in its application. Of this, the extent of contributions by the parties in money, property or work is but one factor. However, parties and many family lawyers have long and often proceeded to the basis that the starting point of the exercise is to look direct financial contributions, indirect contributions and then other factors.

Despite the fact that the division of matrimonial assets is founded on marriage being a co-operative partnership of equal efforts, there is often a tendency to favour the party making the direct financial contributions towards the acquisition of the matrimonial assets.

One common approach that was used in the lower courts tended to be the 'uplift approach' with the direct financial contributions of each party to the acquisition of matrimonial assets being the starting point. The court would then adjust the proportions by giving the spouse with a greater non-financial contribution an 'uplift' to his/her proportion. This approach in fact resulted in a double credit to one party as that party will gain the percentage of the uplift which would be correspondingly deducted from the other party.

The Court of Appeal has now affirmed its approach in ANJ v ANK in the more recent case of Twiss, Christopher James Hans v Twiss, Yvonne Prendergast [2015] SGCA 52 that the way to approach the process is in these structured steps:

(a) Express as a ratio the parties' direct contributions relative to each other, having regard to the amount of financial contribution each party made towards the acquisition or improvement of the matrimonial assets;

(b) Express as a second ratio the parties' indirect contributions relative to each other, having regard to both financial and non-financial contributions; and

(c) Derive the parties' overall contributions relative to each other by taking an average of the two ratios above, keeping in mind that, depending on the circumstances of each case, the direct and indirect contributions may not be accorded equal weight and one of the two ratios may be accorded more significance than the other.

The benefit of this method is that it allows the courts to provide equal emphasis on the financial and non-financial contribution of parties.

With respect to step (c), the Court of Appeal in ANJ n ANK also opined that the structured approach was not designed to provide a definitive answer in all situations. Other relevant considerations which may be taken into account including the fact that:

(i) Indirect contributions tend to feature more prominently in long marriages,

(ii) Direct contributions would command greater weight where the pool of assets was extraordinarily large and all of the assets were accrued by one party's exceptional efforts, and

(iii) Courts tend to lean in favour of homemakers who have painstakingly raised children to adulthood at the expense of their careers, as opposed to the engagement of a domestic helper who would lessen the responsibilities of home-making.

The Court of Appeal's decision has attempted to provide further guidance to how litigants' expectations on the likely proportion of division of matrimonial assets may be managed, but the fact remains that asset division in matrimonial cases continues to be an art, and not a science.

COMPANIES ACT AMENDMENTS (2ND PHASE)

Dominic Tan / Rachel Low
dominic@joylaw.com
rachel@joylaw.com

The second phase of amendments to the Companies Act (Cap. 50) ("**CA**"), pursuant to the Companies (Amendment) Bill passed in October 2014, is targeted to take effect in the first quarter of 2016. The following are some of the key amendments that will be taking place.

1. **CEO Disclosures**

The current requirements for directors of a company to disclose their shareholdings in the company and related corporations pursuant to section 165, and conflicts of interest pursuant to section 156(4), will be extended to CEOs of companies:

(i) in light of the increasingly significant role of CEOs in making company decisions; and
(ii) to better align the approach under the CA with that under the Securities and Futures Act, which provides for similar disclosures by directors and CEOs of companies.

2. **Debarment Regime**

A new section 155B will be introduced, under which:

(i) the Registrar may make a debarment order against a company's director or secretary where the company has been in default of any filing requirement for at least 3 months after the prescribed filing deadline;

(ii) a person so debarred would not be able to take on new appointments (but may continue with his existing appointment) as director or secretary of a company; and

(iii) the Registar may, on the application of the debarred person or on his own accord, cancel or suspend the debarment order after the said default has been rectified or on other prescribed grounds.

The introduction of section 155B aims to increase compliance with filing requirements and prevent irresponsible company officers from holding similar positions in other companies.

3. **<u>Exemption from preparation of financial statements for dormant unlisted companies</u>**

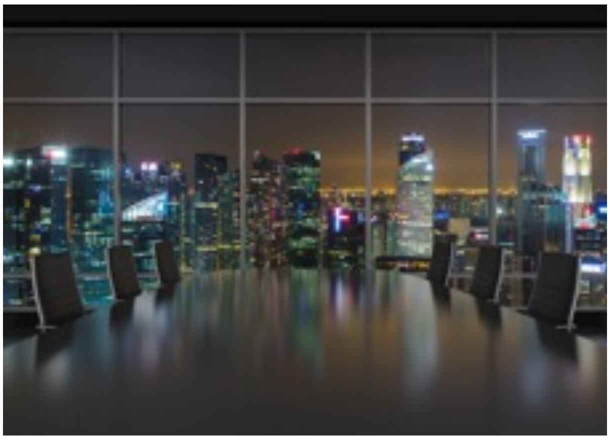
Currently, under section 201, a dormant company, despite being exempted from statutory audit requirements under section 205B, is nevertheless required to prepare financial statements. A new section 201A will be introduced, under which a dormant non-listed company (other than a subsidiary of a listed company) would be exempt from preparing financial statements provided that:

(i) the company has been dormant from the time of its formation or from the previous financial year;

(ii) the company's total assets at any time within the financial year does not exceed $500,000 (or if the company is a parent company, the consolidated total assets of the group at any time within the financial year does not exceed $500,000).

[**Note: directors will still have to file directors' statement under new s201A(2)**]

This new section 201A is intended to reduce regulatory costs for those dormant companies that, as a result of being unlisted, have lower public impact.



4. **<u>ACRA's maintenance of electronic register for private companies</u>**

Currently, sections 190 and 191 require every company to keep a physical register of members.

With the amendments, ACRA will be maintaining an electronic register of members for private companies, in relation to which the date on which a company files information concerning its share ownership with ACRA, would be taken as the effective date of a person being entered or removed from its register of members.

These amendments will do away with the need for private companies to maintain physical registers of members, and aim to improve public access to the companies' registers of members.

5. **<u>Alternate Address</u>**

Under section 173, directors, managers and secretaries are required to lodge with ACRA information on their residential address, which then becomes publicly available information.

In order to protect the privacy of these individuals, the amendments will allow these individuals to reflect an alternate address in ACRA's public records instead (even though they will still be required to lodge their residential address with ACRA). The new section 370A prescribes certain requirements in relation to such alternate address, namely that it is:

(i) an address at which the individual can be located;
(ii) not a post office box number;
(iii) not the residential address of the individual; and
(iv) located in the same jurisdiction as the individual's residential address.

6. **<u>Merger of Memorandum and Articles of Association into Constitution</u>**

In order to streamline administrative processes for companies, the Memorandum and Articles of Association ("**M&A**") of a company will be merged into a single document called the constitution, in relation to which:

(i) a company will be required to lodge its constitution with ACRA on incorporation;

(ii) for existing companies which have lodged their M&A with ACRA, such M&A will be deemed to be merged into the company's constitution, so that no action is required on the company's part to merge such M&A;

(iii) ACRA will provide in due course, model constitutions which companies may adopt, similar to how companies may currently adopt Table A available in the Fourth Schedule of the CA as their Articles of Association.

CONTACT

For more information, please contact us at **all@joylaw.com** or at +65 6333 6383

Joyce A. Tan & Partners LLC

8 Temasek Boulevard
#15-04 Suntec Tower 3
Singapore 038988

www.joylaw.com