

Recent deal

Partner **Boey Swee Siang** and associate **Venisha Lakshmi Nair** acted on behalf of Bermuda-based hedge fund adviser and brokerage Churchill Capital Ltd., in respect of a lawsuit filed against two of its former employees in Singapore for breach of confidentiality. ATMD Bird & Bird applied on behalf of the client for an interim injunction against the two former employees. The suit alleged the defendants passed information to rival company Aviate Global LLP.



The hearing was adjourned subject to various undertakings from the employees. In the meantime, as a result of our court action, the parties entered into settlement negotiations with our client, and agreed a satisfactory settlement. The notice to discontinue the lawsuit was filed with the Singapore High Court on July 15, 2010. The legal action was co-ordinated between ATMD Bird & Bird in Singapore and the London Bird & Bird office, with James Froud advising the client on its rights under the laws of England.

Contents

"Plea of mistake succeeds in the District Court"	1
Business methods patentable in US?	2
Latest edition of Primary Rules for Arbitrations conducted at SIAC	2

We would like to welcome **Yeo Hui Chuan** who recently joined us as an Associate in the IP & Technology group.



"Plea of mistake succeeds in the District Court"

Oh Pin-Ping



In the recent case of *Public Prosecutor v Chua Keng Fock* [2010] SGDC 134, the District Court acquitted the Accused of charges brought under the Trade Marks Act

(Cap. 332) on the ground that he had taken all reasonable precautions against committing the offence, and had no reason to suspect the genuineness of the goods.

The Accused was arrested and charged following a series of police raids at retail shops, a bazaar and a warehouse operated by Urban Wear Pte Ltd ("Urban Wear"), which dealt with fashion apparels. The goods seized included apparels bearing 'Abercrombie', 'Quiksilver', 'Oakley' and 'Timberland' trade marks, amongst many others.

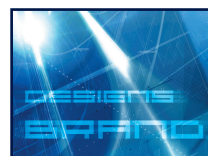
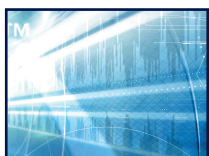
The charges were brought under Section 49(c) of the Trade Marks Act (Cap. 332) ("the Act"), which makes it an offence to possess goods with a falsely applied trade mark for the purpose of trade or manufacture. It is a defence for the Accused to show that, having taken all reasonable precautions against committing the offence, he had, at the time of commission of the offence, no reason to suspect the genuineness of the mark; and had, on demand by the prosecution, given all the information in his power with respect to the persons from whom he obtained the goods.

The court found that, at the time of the raids, the Accused was a mere employee of Urban Wear who had neither financial interest in the business nor control thereof. Additionally, his job scope did not require him to procure goods, and he had no control over the choice of suppliers or the importation of goods. In the circumstances, the Accused had taken "all reasonable

precautions" by obtaining assurances of both the owner and General Manager of Urban Wear that the goods were genuine and not counterfeit, and by conducting a cursory check of the goods to ascertain the same.

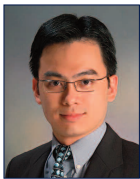
The court also accepted that the Accused had no reason to suspect the genuineness of the goods, based on its finding that it is difficult to distinguish genuine goods from factory overruns or rejects. The Accused's evidence that the suppliers were his old contacts and that he never had problems with the goods supplied by these suppliers may also have been taken into consideration.

This case would suggest an accused who had no control over the infringing articles may quite easily invoke Section 49(c) of the Act in his defence by claiming a mistaken assumption that the goods were factory overruns or rejects.



## Business methods patentable in US?

Ron Awyong



The US patent community returns to relative uncertainty on the patentability of business and software methods after a record-setting 204

days anticipating the outcome of the *Bilski* case (*Bilski v. Kappos*, No. 08-964 (US June 28, 2010)). Hope was that the US Supreme Court (SCOTUS) would clarify the scope of eligible subject matter, though no clear guidance emerged. Rather, the decision marked a return to earlier precedents. Applicants must continue to tread cautiously.

*Bilski*'s claims, directed to a method of hedging risk in energy markets, were held to be abstract, and thus excluded from subject matter eligibility under the US Patent Act. SCOTUS went no further to define an eligible "method" apart from reiterating statutory categories and precedential exclusions. In this sense, SCOTUS seemed to follow the dissent in *Bilski* delivered by now Chief Judge Randall Rader of the Court of Appeals of the Federal Circuit (FC).

As some predicted based on recent trends, the "machine-or-transformation" ("MoT") test, established by the FC majority in *Bilski* to identify an eligible process was stricken down as the sole test. The MoT test was returned to its earlier precedential status as "a useful and important clue, an investigative tool" for determining eligibility. While the SCOTUS decision removed a degree of certainty afforded by

MoT test, the decision confirmed that the subject matter door is a wide one. A business or software method can therefore be patentable, particularly where claims to purely abstract subject matter are avoided, although eligible matter must still clear novelty and non-obviousness hurdles.

Since the decision, the US Patent and Trademark Office (USPTO) has issued examination guidelines to reject a claim that does not meet the "machine-or-transformation test" unless the applicant can explain why the process is not directed to an abstract idea. Thus, the USPTO has kept the MoT test on life support and will provide further guidance in due course. Meanwhile, the community should view the decision with cautious optimism.

## Latest edition of Primary Rules for Arbitrations conducted at SIAC

Sue-Ann Li



The Singapore International Arbitration Centre (SIAC) has issued a 4th Edition of the SIAC Rules, which are the

primary rules for arbitrations conducted at the SIAC ("2010 SIAC Rules"). The 2010 SIAC Rules came into operation on 1 July 2010 and supersede the previous SIAC Rules (3rd Edition, 1 July 2007) ("2007 SIAC Rules").

The 2010 SIAC Rules finds its foundations in the 2007 SIAC Rules, but clarifies and updates certain provisions, while also introducing new features aimed towards facilitating effective and efficient arbitration at SIAC.

Key amendments include:-

### Expedited procedure

Prior to the full constitution of the Tribunal, a party may apply for the arbitration proceedings to be conducted in accordance with an Expedited Procedure. This procedure is available when:-

- (i) The amount in dispute does not exceed S\$5 million, representing the aggregate of the claim, counterclaim, and any set-off defence;
- (ii) The parties so agree; or
- (iii) In cases of exceptional urgency.

Where the SIAC Chairman agrees that the Expedited Procedure may be used:-

- (i) The Registrar may shorten any time limits prescribed under the 2010 SIAC Rules;
- (ii) The case shall be referred to a sole arbitrator (unless the Chairman decides otherwise);
- (iii) The award shall be made within six months from the date the Tribunal is constituted; and
- (iv) The award must state the reason upon which it is based in summary form, unless the parties agree that no reasons are to be given.

### Emergency arbitrator

In the event that emergency interim relief is sought, the 2010 SIAC Rules allow a party to apply for the appointment of an Emergency Arbitrator concurrent with, or following, the filing of a Notice of Arbitration but prior to the constitution of the Tribunal.

The Emergency Arbitrator shall have the powers of the Tribunal and may order any interim relief he deems necessary. After

---

the Tribunal is constituted, the Emergency Arbitrator shall have no further power to act, and the Tribunal may alter any interim relief granted by the Emergency Arbitrator.

### Removal of Memorandum of Issues

The requirement for a Memorandum of Issues, which defined the issues to be determined by the Tribunal in the arbitration, has been removed in the 2010 SIAC Rules.

However, in like manner, Rule 16.4 of the 2010 SIAC Rules provides that the tribunal may in its discretion direct the order of proceedings, and direct the parties to focus their presentations on issues the decision of which could dispose of all or part of the case.

### Confidentiality of arbitration proceedings and award

Previously, parties were directed to keep the arbitration proceedings and award confidential, but as there were no consequences for any breach of the confidentiality rule, the enforcement of this provision often lacked bite.

Under the 2010 SIAC Rules, the Tribunal is now authorised to take appropriate measures if a party contravenes the confidentiality rule, including issuing an order or award for sanctions or costs.

### New schedule of fees

The administrative and arbitrators' fees have been revised and increased. The full table of fees is available on the SIAC website at [www.siac.org.sg](http://www.siac.org.sg)

The content of this update is of general interest and is not intended to apply to specific circumstances. The content should not, therefore, be regarded as constituting legal advice and should not be relied on as such. In relation to any particular problem which they may have, readers are advised to seek specific advice. Further, the law may have changed since first publication and the reader is cautioned accordingly.

**ATMD BIRD & BIRD**

[www.twobirds.com](http://www.twobirds.com)

ATMD Bird & Bird LLP is a Singapore law practice registered as a limited liability partnership in Singapore. The Firm is associated with Bird & Bird, an international legal practice. It is solely a Singapore law practice and is not an affiliate, branch or subsidiary of Bird & Bird or Bird & Bird LLP.

---

Beijing	Bratislava	Brussels	Budapest	Düsseldorf	Frankfurt	The Hague	Helsinki	Hong Kong	London	
Lyon	Madrid	Milan	Munich	Paris	Prague	Rome	Shanghai	Singapore	Stockholm	Warsaw

---