Reading the Tea Leaves in Singapore: Who Will Be Left Holding the Bag for Secondary Trademark Infringement on the Internet?

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INTRODUCTION

This Article explores the issue of secondary liability in Singapore trademark law, with particular attention to intermediaries on the Internet, including Internet service providers (ISPs), e-commerce companies, search engines, website operators, online financial service providers and social media sites.[1] Section 27(5) of the Singapore Trade Marks Act attributes liability to those who use a mark "knowing or having reasons to believe" that such use is not authorized by the trademark owner or licensee.[2] More precisely, the provision excludes trademark liability for those "persons" who use a trademark in the course of trade, namely "for labelling or packaging goods" or as "a sign" on commercial documents or in advertising, provided that they "do[] not know nor ha[ve] reason to believe" that the owner of the mark or his licensee has not consented to such use.[3] Although the

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1. In a previous work, I addressed the topic of contributory trademark infringement in the United States. *See* Irene Calboli, *Intellectual Property Liability of Consumers, Facilitators and Intermediaries: The Position in the United States*, *in* CONSUMERS, FACILITATORS, AND INTERMEDIARIES: IP INFRINGERS OR INNOCENT BYSTANDERS? 119 (Christopher Heath & Anselm Kamperman Sanders eds., 2012). This Article continues my research in this area, this time with particular attention to the law in Singapore, the country in which I have had the opportunity to reside as a visiting faculty member since 2012.

2. Singapore Trade Marks Act, 1998, § 27(5).

3. *Id.* This provision is modeled after section 10(5) of the United Kingdom Trade Marks Act. *See* Trade Marks Act, 1994, c. 26, § 10(5) (U.K.). The provision states that a person who uses a mark:

> [F]or labelling or packaging goods, as a business paper, or for advertising goods or services, shall be treated as a[n infringing] party . . . if when he applied the mark he knew or had reason to believe that the application of the mark was not duly authorized . . . .

Singapore Trade Marks Act, 1998, § 27(5) (Sing.). The U.K. provision, however, provides for secondary liability "positively"; that is, it states that a party would be liable if she "knew or had reasons to believe," while the Singapore provision, strictly speaking, excludes from liability those parties who

provision was adopted before widespread use of the Internet, its wording excludes Internet intermediaries from liability just as it excludes intermediaries in the brick-and-mortar world.

Section 27(5) does not elaborate, however, on the meaning of "knowing or having reasons to believe" or on the level of knowledge necessary to infer liability under the provision. In particular, must the "person" referred to in section 27(5) have actual knowledge that the use of the mark was unauthorized, or is constructive knowledge sufficient to find trademark liability? Similarly, does the phrasing "have reasons to know" include the concept of willful blindness—that is, shutting one's eyes in the face of an obvious infringement?[4] Moreover, the provision does not mention whether courts, in assessing secondary liability for trademark infringement, should consider intermediaries' degree of control over the activities at issue in addition to intermediaries' knowledge of such activities. Yet, on a general level, the element of control constitutes one of the most relevant elements to consider in assessing claims of secondary liability, particularly as evidence supporting a presumption of constructive knowledge or willful blindness when the plaintiffs cannot prove that intermediaries had actual knowledge.[5] Intermediaries who have a degree of control over the activities of their users may in fact be more likely "to know or to have reasons to believe" that the use of the mark was not authorized, when compared to the intermediaries who did not have such control.

Adding to this statutory uncertainty, the courts in Singapore have not had the opportunity, to date, to apply or interpret the language of section 27(5), either in general or with respect to intermediaries on the Internet.[6] This Article addresses this interpretative vacuum and suggests that some useful guidelines in this area could be derived from existing judicial precedents in Singapore in the copyright context, specifically those cases in which the Singapore courts have interpreted the concepts of "authorizing" and secondary copyright infringement under the Singapore Copyright Act.[7] In these cases, the courts elaborated on the level of knowledge required to find intermediaries liable for copyright infringement. In relation to this analysis, the courts also discussed the level of control that intermediaries must have over their users, either in practice or by contract, to find

"do not know nor have reasons to believe." United Kingdom Trade Marks Act, 1994, § 10(5).

4. Public Prosecutor v. Teoh Ai Nee & Anor, [1995] 2 S.L.R. 69, 84 (H.C.) (Sing.).

5. For a comparative analysis, see the various contributions to CONSUMERS, FACILITATORS, AND INTERMEDIARIES: IP INFRINGERS OR INNOCENT BYSTANDERS? (Christopher Heath & Anselm Kamperman Sanders eds., 2012).

6. For a detailed account of the judicial and academic debate on the issue in the United States, see Calboli, *supra* note 1, at 119−42. *See also* 5 J. THOMAS MCCARTHY, MCCARTHY ON TRADEMARKS AND UNFAIR COMPETITION §§ 25.17−.22 (4th ed. 2013); Stacey L. Dogan, *"We Know It When We* See *It": Intermediary Trademark Liability and the Internet*, 2011 STAN. TECH. L. REV. 7 (2011). For a European perspective, see Katja Weckström, *Liability for Trademark Infringement for Internet Service Providers*, 16 MARQ. INTELL. PROP. L. REV. 1 (2012). *See generally* Graeme B. Dinwoodie, Rochelle C. Dreyfuss & Annette Kur, *The Law Applicable to Secondary Liability in Intellectual Property Cases*, 42 N.Y.U. J. INT'L L. & POL. 201 (2009).

7. Singapore Copyright Act, 1987, §§ 31(1), 32, 33, 103(1), 104, 105 (2006); *see also* RecordTV Pte Ltd. v. MediaCorp TV Singapore Pte Ltd., [2011] 1 S.L.R. 830 (C.A.) (Sing.); Ong Seow Pheng v. Lotus Dev. Corp., [1997] 3 S.L.R. 137 (C.A.) (Sing.); *Teoh Ai Nee*, [1995] 2 S.L.R. 69.

secondary copyright liability. As a result, the principles elaborated on in these decisions could assist the courts in future trademark cases under section 27(5). Furthermore, the analysis in these decisions indicates that, when addressing secondary liability copyright claims, courts in Singapore carefully considered public interest and market competition concerns stemming from the imposition of copyright liability.[8] Building upon the courts' analysis in these cases, this Article observes that the same concerns would certainly guide the courts when deciding claims relating to secondary trademark liability.

In line with the theme of this Symposium, this Article additionally considers the ongoing debates over increasing the duty of care of online intermediaries and the possibility that such a requirement would be adopted in Singapore. Trademark owners have advocated for the introduction of a duty of care requirement in multiple jurisdictions (so far with no success), yet this Article notes that the introduction of such an additional requirement for online intermediaries seems unlikely in Singapore, at least for the time being. Notably, the current text of section 27(5) already provides a comprehensive framework to address claims of secondary trademark liability, including for Internet intermediaries. As a result, to directly paraphrase the title of this Symposium, trademark owners may be left "holding the bag" of continuing to assist intermediaries in monitoring the Internet for possible trademark (and copyright) infringement. This, however, may not represent a negative development for trademark owners, as they remain the best equipped to assist intermediaries with this duty of care.

Ultimately, as the title of this Article suggests, the observations elaborated on in the following pages remain a matter of personal (academic) speculation since the precise answers to the questions addressed could be provided only when, and if, the courts in Singapore rule on the issue of secondary trademark liability. Yet, academic exercises frequently involve "reading tea leaves," and Singapore judicial precedents in copyright law certainly offer important insights with respect to the topic at issue.

I. IMPORTING SECONDARY LIABILITY STANDARDS FROM COPYRIGHT LAW

As indicated in the Introduction, the Singapore Trade Marks Act excludes specific acts undertaken by intermediaries from the "[a]cts amounting to infringement of registered trade mark" under section 27.[9] Notably, section 27(5) indicates that "a person who (a) applies a sign to any material used or intended to be used for labelling or packaging goods; or (b) uses a sign on any document described in subsection (4)(d) or in advertising" is considered "not to use the sign" when the circumstances "at the time of such application or use" indicate that the person "*does not know nor has reason to believe* that the proprietor or a licensee of

8. *See* discussion *infra* Part II.
9. Singapore Trade Marks Act, 1998, § 27.

the registered trade mark did not consent to such application or use of the sign."[10] In this respect, section 27(4) provides that "a person uses a sign if, in particular, he . . . (d) uses the sign on an invoice, wine list, catalogue, business letter, business paper, price list or other commercial document, *including any such document in any medium*."[11] Even though the acts referred to in sections 27(5) and 27(4) may be carried on by direct infringers, the language of the provisions also applies to intermediaries—those involved in product labeling and packaging, transporters, distributors, advertisers and others. As noted by prominent scholars, the "knowing or having reasons to believe" language of section 27(5) essentially "render[s] a person who is not the primary infringer liable for trade mark infringement only if he has the necessary *mens rea*."[12] This distinction is of particular importance in Singapore, which, unlike the United States,[13] does not require knowledge for a finding of trademark liability under sections 27(1) to (3).[14] Section 27(4)'s clarification that section 27(5)(b) includes the use of the mark "in any document in any medium" means that the provisions also logically apply to intermediaries on the Internet, and not only in the brick-and-mortar world.[15]

Yet, in spite of the legislative provision in section 27(5), it still remains unclear to what extent courts in Singapore would find intermediaries liable for secondary trademark infringement, as courts have not had the opportunity to apply the provision to trademark intermediaries to date. As a result, it remains unclear what the judicial interpretation of the expression "knowing or having reasons to believe" under the provision would ultimately be.[16] In particular, it remains uncertain the amount of "knowledge or reasons to believe" that a use was not authorized intermediaries must have in order to disprove a finding of trademark liability. It also remains uncertain whether the courts may simply require that intermediaries prove that they did not have actual knowledge, or whether the courts may accept that constructive knowledge or willful blindness is sufficient to find intermediaries liable of secondary infringement. It is also uncertain whether the courts would

10. *Id.* § 27(5) (emphasis added).

11. *Id.* § 27(4) (emphasis added).

12. NG-LOY WEE LOON, THE LAW OF INTELLECTUAL PROPERTY IN SINGAPORE 298 (2009) (noting that the provision is "sometimes referred to as 'secondary infringement' or 'contributory infringement'").

13. Section 27 of the Singapore Trade Marks Act does not indicate that "knowledge" is a requirement for trademark infringement. Singapore Trade Marks Act, 1998, § 27(1)−(3). Similarly, section 31 does not indicate that "knowledge" is a requirement for remedies, including the award of damages. *See id.* § 31. This provision is remarkably different from the law in the United States. *See* Lanham Act, 15 U.S.C. § 1114(1) (2012) ("The registrant shall not be entitled to recover profits or damages unless the acts have been committed with knowledge that such imitation is intended to be used to cause confusion, or to cause mistake, or to deceive."). The Lanham Act also limits the remedies available against innocent infringers in the United States, including primary infringers. *Id.*

14. NG-LOY, *supra* note 12, at 298 (noting that primary trademark infringement under sections 27(1), 27(2) and 27(3) of the Singapore Trade Marks Act does not require that the infringer knew that the use of the mark in question was not authorized).

15. Singapore Trade Marks Act, 1998, § 27(4)(d).

16. For a comprehensive overview of the comparative approaches taken by courts in other countries, including the United Kingdom, the United States and the European Union, see CONSUMERS, FACILITATORS, AND INTERMEDIARIES, *supra* note 5.

consider the intermediaries' degree of control over the activities of the primary infringers—the users of their services—as evidence that the intermediaries had knowledge or, particularly, "reasons to believe" that the use of the mark at issue was not authorized. Should the courts decide to do so, what level of control would then be sufficient or necessary to support a finding of liability under section 27(5)? Besides these questions, another area of uncertainty is whether the courts would be willing to consider the fact that the intermediaries adopted (spontaneously or because of contractual obligations) a certain level of care as a positive element to disprove liability. In other words, would the courts consider a certain level of care in determining whether intermediaries "did not know or had reasons to believe" that the use of the mark in question was not authorized? Should this be the case, what would be the appropriate level of care to disprove liability? For example, would the courts require, or consider as a positive factor, that the intermediaries adopted specific monitoring programs and actively blocked suspicious activities by their users? Further, would the courts take into account that the intermediaries cooperated with trademark owners to redress infringement by their users, such as by blocking suspicious sales or requesting evidence that goods were legitimate before advertising them on their websites? By contrast, would the courts hold such efforts against intermediaries where, after a reasonable analysis, intermediaries disagreed with trademark owners' determinations that their users' activities constituted infringement, and thus refused to take further action?

Ultimately, in the absence of judicial precedents in cases specifically addressing these issues, the answers to these questions remain, for the time being, primarily a matter of personal (academic) speculation, as the precise answers in this respect can only come from the courts. Still, it certainly remains useful, and interesting, to consider some of the judicial precedents in other areas of Singapore law and, by way of analogy, draw from these cases some principles that could offer insightful guidelines in assessing future cases of secondary trademark infringement, particularly with respect to online intermediaries. At the outset, it is important to note that the courts in Singapore could additionally consider judicial precedents on secondary trademark liability from other jurisdictions, particularly from common law countries such as England, Australia and the United States.[17] Still, without turning to foreign cases, courts in Singapore could find important guiding principles in their own judicial precedents, primarily in the decisions that the courts adopted in the area of indirect copyright liability.[18] In this respect, Singapore

17. Courts in Singapore could also turn to judicial precedents in other common law jurisdictions, particularly England. Even though English courts no longer form part of Singapore's judicial hierarchy, English precedents are still regarded as highly persuasive, particularly with regard to the interpretation of Singapore laws modeled on English law (such as the Singapore Trade Marks Act of 1998). Judicial precedents from other jurisdictions may also be persuasive in specific areas of Singapore law. For example, courts in Singapore could view decisions from courts in the United States in the area of secondary trademark liability as useful. This Article, however, focuses analysis on the possible influence of principles deriving from cases decided by courts in Singapore in the area of copyright law.

18. *See* RecordTV Pte Ltd. v. MediaCorp TV Singapore Pte Ltd., [2011] 1 S.L.R. 830 (C.A.) (Sing.); Ong Seow Pheng v. Lotus Dev. Corp., [1997] 3 S.L.R. 137 (C.A.) (Sing.); Public Prosecutor v. Teoh Ai Nee, [1995] 2 S.L.R. 69 (H.C.) (Sing.). Another useful area to consider in this respect is

would not be the first country to consider copyright precedents in the context of trademark cases; in several other jurisdictions, secondary liability rules in trademark law have also been informed by legislative and judicial developments in copyright law.[19] Notably, claims for secondary copyright and trademark liability are frequently brought together by plaintiffs against online intermediaries in several countries—this has been common, for example, in the United States—which has resulted in copyright law principles and doctrines influencing the development of trademark law, especially with respect to infringement in the digital world.[20]

In particular, following common practice in Commonwealth countries, Singapore regulates indirect copyright liability ("authorizing" infringement) as a type of primary infringement like direct infringement, and also regulates secondary infringement by sale, hire or similar acts.[21] Both types of infringement require that an act of direct infringement occurred and that the defendant had a certain degree of control and knowledge in relation to that infringement. The critical inquiry to find authorizing infringement focuses more on the element of control than on knowledge, because authorizing infringers generally know about the infringing acts that they have authorized others to do.[22] Meanwhile, analysis of secondary infringement concentrates primarily on the element of knowledge or "reasons to know," as required by the Singapore Copyright Act.[23] Section 31(1) of the Copyright Act addresses copyright liability for authorizing infringement and states that those who illegitimately "*authorize[]* the doing in Singapore of any act comprised in the copyright" infringe "the copyright in a . . . work."[24]

certainly tort law. Singapore applies common law torts principles, which include the law on joint tortfeasors and the tort of inciting an intellectual property infringement. *See* STANLEY LAY, LIABILITY FOR CONTRIBUTORY INFRINGEMENT OF IPRS 1, 3, *available at* https://www.aippi.org/download/commitees/204/GR204singapore.pdf (Report Q204 to the International Association for the Protection of Intellectual Property (AIPPI)). In particular, courts in Singapore have identified two broad categories with respect to joint tortfeasorship, namely "where one party conspires with the primary party or indices the commission of the tort" and "where two or more persons join in a common design pursuant to which the tort is committed." *See id.*

19. *See* Dogan, *supra* note 6, at 7 (comparing recent decisions in the area of intermediary trademark infringement with similar cases in copyright law, including Sony Corp. v. Universal City Studios, Inc., 464 U.S. 417 (1984)).

20. The U.S. Supreme Court, in dicta, justified the judicial creation of secondary liability in trademark law in *Sony Corp. v. Universal City Studios, Inc.*, 464 U.S. 417 (1984), stating that "because courts generally accept secondary liability in numerous legal realms analogous to trademark . . ., it is appropriate to import secondary liability into trademark." *Id.* at 434−35.

21. The relevant provisions on "authorizing" infringements are found in sections 31(1) and 103(1) of the Copyright Act. *See* Singapore Copyright Act, 1987, §§ 31(1), 103(1); *see also* Saw Cheng Lim & Warren Chik, *Revisiting Authorisation Liability in Copyright Law*, 24 SING. ACAD. L. J. 698 (2012). On authorizing infringement across the Commonwealth, see generally Ysolde Gendreau, *Authorization Revisited*, 48 J. COPYRIGHT SOC'Y U.S. (2001). The relevant provisions on secondary infringement are found in sections 32, 33, 104 and 105 of the Act. *See* Singapore Copyright Act, 1987, §§ 32, 33, 104, 105.

22. *See* NG-LOY, *supra* note 12, at 143. *But see Moorhouse v Univ. NSW* [1976] R.P.C. 151 (Austl.) (highlighting that that defendant had control and thus had to take reasonable steps to prevent the infringement).

23. *See* Singapore Copyright Act, 1987, §§ 32−33.

24. *Id.* § 31(1). Section 103(1) repeats, verbatim, the same provision with respect to copyright

The Singapore Court of Appeal interpreted the meaning of the term "authorizing" in 1997, in *Ong Seow Pheng v. Lotus Development Corp.*,[25] and again in 2010, in *RecordTV Pte Ltd. v. MediaCorp TV Singapore Pte Ltd*.[26] In *Ong Seow Pheng*, the Singapore Court of Appeal found that the defendant had not authorized the infringement, because the defendant did not "sanction, approve or countenance" the infringement carried on by the direct infringer.[27] The defendant was in the business of manufacturing infringing copies of software manuals and selling them to retailers along with a single infringing copy of the software program. Although the retailer (the direct infringer) was found to be in possession of about 6700 infringing copies of the program,[28] the court found that the defendant had no control over whether the retailer, a known software pirate, would make infringing copies or not. Specifically, the court took the position that:

> [T]he word 'authorise' . . . meant to grant or purport to grant, whether expressly or impliedly, to a third person the right to do the act complained of, whether the intention was that the grantee should do the act on his own account, or only on account of the grantor.[29]

Thus, even if the defendant "facilitated" and even "incited" the copyright infringement, the court found that this did not constitute "authorization" under the language of the Singapore Copyright Act.[30] In this case, however, the court did not specifically address whether the defendant had knowledge of the infringement; most likely, the court assumed that the defendant was aware of the activities of the direct infringer based on the facts in this case.

More recently, in *RecordTV Pte Ltd. v. MediaCorp TV Singapore Pte Ltd.*, the Court of Appeal issued an opinion that again reinforced a narrow interpretation of the concept of "authorizing" in copyright law. The court additionally elaborated at length on the element of control, and ultimately found that the defendant was not liable for authorizing infringement even if it had control over the activities of its users.[31] RecordTV was the owner of an Internet-based service, which offered

infringement "in Subject-Matter other than Works." *Id.* § 103(1) (emphasis added).

25. Ong Seow Pheng v. Lotus Dev. Corp., [1997] 3 S.L.R. 137 (C.A.) (Sing.).

26. RecordTV Pte Ltd. v. MediaCorp TV Singapore Pte Ltd., [2011] 1 S.L.R. 830 (C.A.) (Sing.).

27. *Ong Seow Pheng*, [1997] 3 S.L.R. at 145 (quoting Falcon v. Famous Players Film Co., [1926] 2 K.B. 474 at 491 (Eng.)). The court cited with approval two English decisions, *CBS Songs Ltd. v. Amstrad Consumer Elecs. Plc.*, [1988] A.C. 1013 (H.L.) (Eng.) and *CBS Inc. v. Ames Records & Tapes Ltd.*, [1982] Ch. 91 (H.C.) (Eng.). For a detailed analysis of the decision, see David Llewelyn, *Intellectual Property Liability of Consumers, Facilitators and Intermediaries: Concepts Under the Common Law*, *in* CONSUMERS, FACILITATORS, AND INTERMEDIARIES, *supra* note 5, at 19–20.

28. *See* NG-LOY, *supra* note 12, at 141 (elaborating on the necessity of an underlying primary infringement for a finding of authorizing infringement).

29. *Ong Seow Pheng*, [1997] 3 S.L.R. at 146 (quoting the more restrictive definition provided by Lord Justice Atkin in *Falcon*, [1926] 2 K.B. at 499).

30. *Id.* at 148.

31. RecordTV Pte Ltd. v. MediaCorp TV Singapore Pte Ltd., [2011] 1 S.L.R. 830 at 832 (C.A.) (Sing.). In this case, the Court of Appeal also elaborated on the meaning of "communication to the public" according to the Singapore Copyright Act, and ultimately concluded that RecordTV did not communicate to the public the shows at issue. *Id.* at 848–50. On this point, see Ng-Loy Wee Loon, *The*

remote-store digital video recorder (RS-DVR) services by allowing registered users to request the recording of free-to-air broadcasts in Singapore. The broadcasts were recorded at RecordTV's premises, and the registered users operated the DVR system remotely over the Internet.[32] MediaCorp owned the copyright of many of the shows that were recorded with RecordTV's service.[33] Still, the court focused primarily on the fact that the terms of the contract between the company and its users required the users to have valid licenses from the copyright owners before using RecordTV's service.[34] Based on the terms of the contract, the court found that, even if RecordTV had general control over the service, it did not purport to grant any right to copy or communicate the shows.[35] In addition to taking this narrow, formalistic approach, the court listed four factors to guide future courts in similar cases: (1) whether the alleged infringer had the power to prevent the infringement; (2) the nature of the defendant's relationship with the actual infringer; (3) any reasonable steps that were or could have been taken to prevent the infringement; and (4) actual or constructive knowledge of the likelihood or the occurrence of the infringement.[36] Even though "proving one or even the majority of these factors . . . will not necessarily be decisive,"[37] as other factors may be relevant depending on the particular facts, this list could prove useful for Singapore courts called to address a secondary trademark liability claim. Undoubtedly, "control seems the critical factor [in this list] in finding whether there is authorization," and control is a strong indication of "actual or constructive knowledge."[38]

Finally, besides "authorizing" infringement, the Singapore Copyright Act prohibits secondary copyright infringement "by importation for sale or hire,"[39] or "by sale and other dealings,"[40] where a person "*knows, or ought reasonably to know*, that [the article was made] without the consent of the owner of the copyright."[41] The interpretation of this provision could prove highly useful for courts faced with claims of secondary trademark liability, since the bases for liability—to "know," to "reasonably know," and "to have reasons to believe"—are essentially the same with respect to copyright law and section 27(5) of the

'Whom's' in Online Dissemination of Copyright Works: To Whom and by Whom Is the Communication Made?, 2011 SING. J. LEGAL STUD. 373 (2011) [hereinafter Ng-Loy, *Communication*].

32. *RecordTV*, [2011] 1 S.L.R. at 832.

33. *Id.*

34. *Id.* at 841–42, 851–53; *see also* Llewelyn, *supra* note 27, at 29–30.

35. *RecordTV*, [2011] 1 S.L.R. at 851–53.

36. *Id.* at 853.

37. *See* Llewelyn, *supra* note 27, at 20.

38. *Id.*

39. Singapore Copyright Act, 1987, §§ 32, 104 (2006).

40. *Id.* §§ 33, 105.

41. *Id.* §§ 32, 104 (emphasis added). It is important to note that the provision in the Singapore Copyright Act uses the language "knows, or ought reasonably to know," while the Trade Marks Act refers to the person who "does not know nor has reasons to believe." The two expressions carry, linguistically, an identical meaning, and the choice of words may be attributable to the different legislative histories of the respective statutes. Still, the difference in the specific wording cannot exclude possible (minor) variations in the actual interpretation on the part of the courts in Singapore.

Singapore Trade Marks Act.

Former Singapore Chief Justice Yung Pung How interpreted the expression "knows, or ought reasonably to know" in the copyright law space in the case *Public Prosecutor v. Teoh Ai Nee & Anor* in 1995.[42] Even though this case was decided in the context of section 136 of the Copyright Act[43]—the provision regulating criminal liability for certain acts of copyright infringement—the Chief Justice's interpretation of the required knowledge applies also to civil liability for secondary copyright infringement,[44] and thus can apply, by analogy, in the context of secondary trademark liability. The Chief Justice interpreted the expression "to know, or ought reasonably to know" to include five levels of knowledge.[45] These levels encompass both actual and constructive knowledge:

> i) actual knowledge; ii) wilfully shutting one's eyes to the obvious; iii) wilfully and recklessly failing to make such inquiries as an honest and reasonable man would make; iv) knowledge of the circumstances which would indicate the fact to a reasonable man; and v) knowledge of circumstances which would put an honest and reasonable man on inquiry.[46]

The Chief Justice did not mention, however, whether the defendant had to have control over the infringing activities of the direct infringers. Still, by reading this decision along with the decision in *RecordTV*, it seems clear that control plays an important practical role, in the eyes of the Singapore courts, in assessing the existence of the element of knowledge when finding secondary copyright liability. This is particularly true with respect to circumstantial knowledge and willful blindness.

II. SOME CONSIDERATIONS AND PREDICTIONS FOR THE FUTURE

Undoubtedly, the cases discussed above represent important precedents for filling, at least in part, the interpretative vacuum that still characterizes section 27(5) of the Singapore Trade Marks Act and its application to intermediaries on the Internet. As mentioned earlier, these precedents could be complemented by cases on secondary trademark liability decided in other jurisdictions, in which foreign courts ruled on the meaning of the level of "knowledge" and "control" that intermediaries must have in order to be considered secondarily liable under their

42. Public Prosecutor v. Teoh Ai Nee & Anor, [1995] 2 S.L.R. 69 (H.C.) (Sing.).

43. Singapore Copyright Act, 1987, § 136 (2006).

44. *See Teoh Ai Nee*, [1995] 2 S.L.R. at 84. Here, the Chief Justice noted that "in our Copyright Act, the formulation of 'knows or ought reasonably to know' is used for both civil and criminal provisions." *Id.*; *see also* NG-LOY, *supra* note 12, at 147 n.58 (noting that "the interpretation of the phrase 'knows or ought reasonably to know' was given . . . in the context of [section 136]" and that "[t]he interpretation of the phrase . . . in this case would apply equally to the provision imposing civil liability for secondary infringement").

45. *Teoh Ai Nee*, [1995] 2 S.L.R. at 83–84.

46. *Id.* (noting that these levels were elaborated by Gibson J. in *Baden v. Societe General*, [1983] B.C.L.C. 325 (H.C.) (Eng.), and adding that "it is more accurate to see states of minds (ii) to (v) as instances of 'constructive knowledge' because they are imputed by the court to the defendant . . . . [D]efendant does not have actual knowledge, only 'means of knowledge'").

respective national laws. Still, the copyright cases highlighted in Part I represent important national principles, on which the courts in Singapore can either rely on directly as authority or use as important guidelines to inform their future decisions. Naturally, these cases do not (and cannot) define all the elements that the courts should take into account in interpreting the meaning of "knowledge" and "reasons to believe" under section 27(5) of the Trade Marks Act. As commonly happens in intellectual property cases, the specific facts of each case will also ultimately continue to determine judicial outcomes. Precisely for this reason, the courts deciding the copyright cases mentioned above left a broad degree of flexibility so that future courts would not be bound by strict precedents—even when they provided a detailed analysis and specific factors. On a general level, however, these cases indicate, consistently, that Singapore courts carefully balanced competing interests when approaching claims for authorizing and secondary copyright infringement: society's interest in preventing copyright infringement and punishing business models based upon infringing activities on the one hand, and the equally relevant societal concern of protecting useful businesses whose activities are primarily non-infringing on the other.[47] Accordingly, the analysis of these cases could inform the development of judicial precedent in trademark law, as courts are primarily concerned with the balancing of similar competing interests also in this area.

In particular, the Singapore Court of Appeal repeatedly indicated its preference for a narrow interpretation of the term "authorizing" under the Singapore Copyright Act. The court's decision in *Ong Seow Pheng* could even prove somewhat perplexing in this respect, as the facts in that case indicate that defendants clearly had knowledge and even facilitated and incited the infringement. Still, in the eyes of the court, the defendant's actions did not amount to authorizing the direct infringer because the defendant did not, strictly speaking, "grant" or "purport to grant" the right to copy the software to the direct infringer. A decade later, in *RecordTV*, the court confirmed the same narrow approach. This time, the court explicitly identified public policy concerns as a main factor in assessing a claim of authorizing infringement. Interpretations of copyright law, the court emphasized, should take into account technological advances that have "clear legitimate and beneficial uses for the public,"[48] because "the public interest is better served by encouraging rather than stifling the use of . . . novel technology . . . [in this case an] additional and better time-shifting service . . . ."[49] Interestingly, the court took this position even though RecordTV was not an ISP,[50] and thus could not benefit from

47. RecordTV Pte Ltd. v. MediaCorp TV Singapore Pte Ltd., [2011] 1 S.L.R. 830 (C.A.) (Sing.); *see also* Llewelyn, *supra* note 27, at 35.

48. *RecordTV*, [2011] 1 S.L.R. at 833.

49. *Id.* at 861.

50. *Id.* at 858

(highlighting that "[a]s RecordTV is not liable to MediaCorp for infringing the latter's exclusive right to copy and/or communicate to the public the MediaCorp shows and is also not liable for authorising the Registered Users to do 'any act comprised in [MediaCorp's] copyright' . . . it is not necessary for us to determine whether RecordTV can rely on any of the safe harbour or fair

the safe harbor defense for ISPs.[51] First in 1999,[52] and again following the ratification of the United States-Singapore Free Trade Agreement (USSFTA) in 2004,[53] Singapore amended its Copyright Act to include such a defense, which today mirrors that in the United States' Digital Millennium Copyright Act.[54] Since RecordTV was not an ISP, however, the court chose to narrowly interpret both the concept of "authorizing" and the definition of "communication to the public"; it thus absolved RecordTV from liability for authorizing its users to copy MediaCorp's shows and for communicating said shows to the public.[55] Admittedly, *RecordTV* was a case about free on-the-air shows, in which the TV users held TV licenses. Similarly, it is not clear whether the court would have reached a different result had the TV shows been distributed via cable or by TV On Demand, for which the users may not have held valid licenses. Still, based on the general reasoning in *Record* TV, the Court of Appeal would certainly have carefully evaluated the competing interests at stake, even if it had been presented with a different set of fact, which would have led to a different judicial outcome.

Ultimately, in light of the existing copyright precedents, it seems unlikely that the courts in Singapore would adopt a much different, and broader, approach to secondary liability in the area of trademark law and hold Internet intermediaries liable for trademark infringement when their activities could otherwise prove useful for consumers and market competition. That said, the courts could interpret the wording of section 27(5) of the Trade Marks Act so as to include in the terms "knowledge and reasons to believe" not only actual but also constructive knowledge as well as willful blindness. This could provide the courts with a larger spectrum of types of "knowledge" that could be relevant for findings of secondary trademark liability on a case-by-case basis. Moreover, even though the statutory language does not refer to the element of control with regard to whether a "person" "knew or had reasons to believe" that the use of the mark was not authorized, courts could also consider whether intermediaries have such control, and the degree of it, to determine whether they had knowledge of the infringing use of the marks at issue. In particular, the higher the degree of control intermediaries have over their users, the higher could be the likelihood that the courts would find that the intermediaries "knew or had reasons to believe" that the use of the mark was not

dealing provisions under Pt IXA and s 109 respectively of the Copyright Act").

51. Singapore Copyright Act, 1987, §§ 193B−193D (as amended by Copyright Amendment Act, No. 52, 2004 (Sing.)); *see also* NG-LOY, *supra* note 12, at 144.

52. *See* Ng-Loy, *Communication*, *supra* note 31, at 373 n. 2 (citing the 1999 revisions to the Copyright Act of 1987, which eventually became the Copyright Amendment Act, No. 38, 1999 (Sing.)).

53. Free Trade Agreement, U.S.-Sing., May 6, 2003, Hein's No. KAV 6376, *available at* www.ustr.gov/sites/default/files/uploads/agreements/fta/singapore/asset_upload_file708_4036.pdf [hereinafter USSFTA].

54. *See* DANIEL SENG, COMPARATIVE ANALYSIS OF THE NATIONAL APPROACHES TO THE LIABILITY OF INTERNET INTERMEDIARIES 1, 41, *available at* http://www.wipo.int/export/sites/www/copyright/en/doc/liability_of_internet_intermediaries.pdf (providing a survey of national laws as part of the studies released by the World Intellectual Property Organization (WIPO) on the issue of liability of Internet intermediaries).

55. *RecordTV*, [2011] 1 S.L.R. at 847.

authorized by the trademark owner. In this respect, substantial weight could be given, in the courts' analysis, to the contractual terms governing the relationship between the intermediaries and their users. Courts could also decide that a contractual clause that would ordinarily shield an intermediary from trademark liability may be invalid if the circumstances of the case show that the intermediary reasonably believed, or should have reasonably believed, that the use of the trademark was in fact unauthorized. Ultimately, as courts in the United States seem to have done,[56] Singapore courts may also adopt a pragmatic "we know it when we see it" approach to claims of secondary trademark infringement—similar to what the Court of Appeal seemed to suggest in *RecordTV*—in order to safeguard innovative technology and business that is useful for consumers. In other words, courts could interpret the language of section 27(5) to limit trademark liability for socially useful intermediaries acting in good faith, while still holding liable socially harmful intermediaries.

Building upon these observations, it also seems unlikely that Singapore would adopt an ad hoc "duty of care" requirement for intermediaries to disprove a presumption of liability for secondary trademark infringement, as trademark owners have advocated. Both the legislature and the courts in Singapore have, in several instances, favored the interests of competition and the public at large over those of individual trademark owners, even with respect to owners of famous marks.[57] The creation of an ad hoc duty of care for intermediaries would increase their costs of doing business and "deputize private vendors into content cops,"[58] which would not likely be considered a positive result for businesses and consumers in Singapore. As highlighted above, Singapore's recognition and treatment of secondary trademark liability is already more advanced than that of many other jurisdictions, including the United States, which does not specifically regulate secondary trademark liability in its trademark statute.[59] Moreover, under Singapore trademark law, the same remedies apply both for acts of primary and secondary trademark infringement under section 27—in other words, violations committed under section 27(5) do not entail fewer or weaker remedies than those provided for acts committed under section 27(1) to (3).[60] In particular, plaintiffs can obtain injunctive relief against the defendants in actions based upon section

56. *See* Calboli, *supra* note 1, at 139–42 (discussing the courts' approach in the United States).

57. *See* City Chain Stores (S) Pte Ltd. v. Louis Vuitton Malletier, [2010] S.L.R. 382 (C.A.) (Sing.) (finding that Louis Vuitton's registered "flower quatrefoil" mark was not famous in Singapore and thus could not be protected under the dilution-related provision); *see also* Doctor's Assocs. Inc. v. Lim Eng Wah (trading as SUBWAY NICHE), [2012] S.G.H.C. 84 (H.C.) (Sing.) (finding that the use of the defendant's mark SUBWAY NICHE did not infringe the plaintiff's trademark, SUBWAY, based on prior use).

58. *See* Eric Goldman, *eBay Mostly Beats Tiffany in the Second Circuit, but False Advertising Claims Remanded*, TECH. & MARKETING L. BLOG (Apr. 1, 2010, 2:02 PM), http://blog.ericgoldman.org/archives/2010/04/ebay_mostly_bea.htm.

59. *See* Calboli, *supra* note 1, at 120, 122 (highlighting that secondary liability in trademark law in the United States was developed as a judicial doctrine, and that it has not been introduced into the trademark statute).

60. Singapore Trade Marks Act, 1998, §§ 31−34.

27(5),[61] and courts can apportion damages "according to the wrongdoing and the extent of the contribution, in accordance with established rules of causation and remoteness of damage."[62] For all these reasons, it seems unlikely that an increased duty of care for intermediaries is necessary to reduce trademark infringement.

Last but not least, no international intellectual property agreement that Singapore has ratified, negotiated or is currently negotiating provides for the adoption of a duty of care requirement, at least in the trademark context. In 2000, the Agreement on Trade Related Aspects to Intellectual Property Rights (TRIPS), which was adopted in 1994 as part of the creation of the World Trade Organization (WTO), came into force in Singapore.[63] TRIPS, however, only imposed minimum standards for intellectual property enforcement.[64] In 2004, Singapore ratified and implemented the USSFTA, which provided for TRIPS-plus standards of protection.[65] Still, this agreement did not include any duty of care for trademark intermediaries, whereas it did provide specific provisions on the copyright liability of ISPs.[66] In 2005, Singapore became a member of the World Intellectual Property Office (WIPO) Copyright Treaty, which also focuses on the liability of copyright intermediaries.[67] More recently, in 2011, Singapore signed the Anti-Counterfeiting Trade Agreement (ACTA), which provides for a general obligation to enforce intellectual property rights in the digital environment, but does not specify a duty of care for trademark intermediaries.[68] Finally, in 2013, Singapore concluded negotiations on the European Union-Singapore Free Trade Agreement (EUSFTA).[69] In this agreement, for the first time, the liability and possible

61. *Id.* § 31.

62. LAY, *supra* note 18, at 3.

63. Agreement on Trade-Related Aspects of Intellectual Property Rights, Apr. 15, 1994, Marrakesh Agreement Establishing the World Trade Organization, Annex 1C, THE LEGAL TEXTS: THE RESULTS OF THE URUGUAY ROUND OF MULTILATERAL TRADE NEGOTIATIONS 320 (1999), 1869 U.N.T.S. 299 [hereinafter TRIPS]. Singapore has been a member of the World Trade Organization since January 1, 1995. Because it was still considered a developing country at the time, the deadline to implement the TRIPS for Singapore was January 1, 2000. *See* NG-LOY, *supra* note 12, at 28.

64. *See* TRIPS, pt. III, arts. 41–61.

65. USSFTA, *supra* note 53; *see also* Ng-Loy Wee Loon, *The IP Chapter in the US-Singapore Free Trade Agreement*, 16 SING. ACAD. L.J. 42 (2004).

66. USSFTA, *supra* note 53, art. 22.

67. World Intellectual Property Organization Copyright Treaty, Dec. 20, 1996, S. TREATY DOC. NO. 105-17, 36 I.L.M. 65 (1997); *see also* Ng-Loy, *Communication, supra* note 31, at 375 n.7 (noting that Singapore implemented the WIPO Copyright Treaty as part of international obligations pursuant to several international free trade agreements).

68. *See* OFFICE OF THE U.S. TRADE REPRESENTATIVE, ANTI-COUNTERFEITING TRADE AGREEMENT (2010), *available at* http://www.ustr.gov/acta. Australia, Austria, Belgium Bulgaria, Canada, Cyprus, the Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Japan, Korea, Latvia, Lithuania, Luxembourg, Malta, Mexico, Morocco, the Netherlands, New Zealand, Poland, Portugal, Romania, Singapore, Slovakia, Slovenia, Spain, Sweden, Switzerland, the United Kingdom and the United States are parties to the agreement. *See id.* To date, however, only Japan has ratified the agreement, and mounting opposition to ACTA by numerous parties makes it unlikely that it will enter into force in the near future. *See* Monika Ermert, *ACTA: Will It Ever Become A Valid International Treaty?*, INTELL. PROP. WATCH (Sept. 13, 2012, 4:13 PM), http://www.ip-watch.org/2012/09/13/acta-will-it-ever-become-a-valid-international-treaty.

69. *See* Draft Free Trade Agreement, EU-Sing., ch. 11, Sept. 2013, *available at* http://trade.ec.

exemptions for ISPs include "infringements of copyright or related rights or trademarks that take place through systems or networks controlled or operated [by ISPs]."[70] The same provision explicitly states that "eligibility for the exemptions and limitations in this Article may not be conditioned on [the ISP] monitoring its service, or affirmatively seeking facts indicating infringing activity."[71] The current (leaked) draft of the Trans-Pacific Partnership (TPP) agreement, of which Singapore is a negotiating member, also requires that parties ensure appropriate enforcement "so as to permit effective action against an act of trademark [or] copyright . . . infringement which takes place in the digital environment."[72] This does not include, however, the adoption of a mandatory duty of care for Internet intermediaries.[73]

III. CONCLUSION

As mentioned in the Introduction, the observations in this Article remain a matter of personal (academic) speculation, as courts in Singapore have not yet tackled the issue of secondary liability in trademark law in practice. Still, judicial precedents in the area of copyright law seem to indicate that Singapore courts addressed indirect copyright liability of intermediaries with a careful eye to the impact that their decisions could have on businesses, market competition and consumers. Notably, courts in Singapore have consistently adopted a narrow approach to the interpretation of the statutory language in the Copyright Act, particularly with respect to the meaning of "authorizing" infringement, even when defendants were clearly aware, and even facilitated, infringement, as in *Ong Seow Pheng*. This judicial attention to conflicting interests, and the prominent role of the public interest as a guiding principle for the courts, were recently confirmed by the Singapore Court of Appeal in *RecordTV*, in which the court stated that copyright law should not be interpreted to hamper the development and use of novel and useful technologies, but should rather incentivize them.[74]

Based upon the existing copyright precedents, courts in Singapore would certainly continue to carefully weigh the interests of intellectual property owners, intermediaries, and the public, also when deciding cases related to secondary trademark infringement. In particular, in applying section 27(5) of the Trade Marks Act, courts would certainly interpret the required elements of "knowledge" or "reasons to believe" under the provision by weighing, on a case-by-case basis, the consequences of a finding of liability on consumers and competition. As the

europa.eu/doclib/docs/2013/september/tradoc_151761.pdf.

70. *Id.* art. 11.47(1).

71. *Id.* art. 11.47(3).

72. Trans-Pacific Partnership [TPP] Intellectual Property Group Draft Treaty, art. QQ.H.10, Aug. 30, 2013, *available at* https://wikileaks.org/tpp/static/pdf/Wikileaks-secret-TPP-treaty-IP-chapter.pdf. The TPP is currently being negotiated between Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, Vietnam and the United States.

73. *Id.*

74. *See* Llewelyn, *supra* note 27, at 35.

courts have done in copyright cases, courts may still interpret section 27(5) to encompass actual and constructive knowledge as well as willful blindness. This flexible approach could allow the courts to adapt the statutory language to the facts at issue, and ultimately find liability for "bad intermediaries" while permitting "good intermediaries" to carry on their services. As in copyright cases, courts could pay special attention to whether the intermediaries have control over their users' activities in each case. Even though the language of section 27(5) does not mention "control," both the copyright precedents and foreign cases on secondary trademark liability suggest that control may be a relevant factor from which courts could infer that intermediaries "knew or had reasons to believe" that the use of a trademark was unauthorized.

Finally, it seems unlikely that the courts or the Singapore legislature would implement a duty of care to avoid secondary trademark liability, particularly since no international agreement (ratified, negotiated, or currently being negotiated) has introduced such a requirement and the current provision in Section 27(5) offers ample room for addressing secondary trademark infringement both online and in the brick-and-mortar world. Accordingly, as in most countries today, trademark owners may be left "holding the bag," and would have to continue assisting intermediaries in preventing infringement. In general, trademark owners could expect that courts in Singapore would continue to protect trademark rights based on a balanced approach, which would primarily consider the interests of market competition and consumers in applying section 27(5) to intermediaries. As stated in the Introduction, trademark owners still remain best equipped to cooperate with intermediaries in searching for, and addressing, instances of online infringements, thus this development may prove the most sensible approach in this respect.

In summary, reading the "tea leaves" in Singapore seems to indicate that, looking at existing copyright judicial precedents, courts in Singapore would most likely continue to adopt a very balanced approach also with respect to online intermediaries and Internet infringement. This, in turn, could further facilitate the development of a vibrant online marketplace in Singapore, which, for this author, remains the most important aspect of the topic under debate in this Symposium.