

TRADE MARK INFRINGEMENT FOR GOODS IN TRANSIT

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Introduction

1. In our interconnected global economy, goods flow freely across borders. This poses a vexing problem for trade mark proprietors who struggle to track and prevent the trade of counterfeit goods, including goods in transit.
2. This article briefly explores the impact of the recent decision of *Burberry Limited v Megastar Shipping Pte Ltd* [2019] SGCA 01 in which the Court of Appeal (the “CA”) held that a freight forwarder which facilitated the transshipment of counterfeit goods was not liable for trade mark infringement.

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Facts and Decision

3. The Appellants were trade mark proprietors of the luxury brands “Burberry” and “Louis Vuitton”.
4. The Respondent was a freight forwarder providing transshipment services in Singapore. In this case, the Respondent was engaged by a third party to arrange for the transshipment of goods from China to Indonesia, through Singapore.
5. The counterfeit goods infringing the Appellants’ trade marks were shipped to Singapore in sealed containers on the way to Indonesia. However, upon arrival in Singapore, the goods were seized by Singapore Customs.
6. The Appellants sued the Respondent under the Trade Marks Act (“TMA”) for trade mark infringement for importing and/or exporting the goods under an infringing sign. The High Court dismissed the suit, and the CA upheld the High Court’s decision.

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Meaning of “Import” and “Export” under the TMA

7. The CA clarified that for the purposes of the TMA, an importer or exporter is a person who respectively brings or causes goods to be brought into or taken out of Singapore. This includes goods that enter into the port in Singapore solely for the purposes of transit.
8. The CA ruled that for the purposes of establishing infringement under the TMA, it was not enough that the alleged infringer was responsible for the physical act of importing or exporting the counterfeit goods. It must also be proven that the alleged infringer knew (or had reason to believe) that the goods he was importing and/or exporting had signs applied to them. If such knowledge or belief is shown, it will be irrelevant whether or not the alleged infringer actually knew that the signs were infringing.

CASE REVIEW



9. In this case, the Respondent had not examined the contents of the sealed containers and there was no evidence that it knew (or had reason to believe) that there were signs on the goods. Accordingly, infringement was not made out.

Take Away

10. Although the Respondent successfully defended the infringement claim, those in the import and export industry should not be quick to rejoice. This is because the CA's ruling clarifies that:
- the infringement provisions in the TMA do apply to goods in transit; and
 - importers and exporters of goods cannot claim to be ignorant as to the counterfeit nature of the goods if they were aware or ought to be aware that the goods had signs applied to them.
11. The abiding fact is that many goods would have signs or trade marks applied to them, such as clothes, leather goods, household items, beverages and even machinery. Thus, importers and exporters of goods in transit cannot claim to be ignorant as to the counterfeit nature of the goods merely because the goods are transported in sealed containers.

Concluding Remarks

12. The CA's ruling provides valuable guidance on the legal position of importers and exporters of goods in transit. Please do not hesitate to contact us if you have any queries concerning this Case Review, or require any further advice on trade mark law in Singapore.

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