

***Lee Tat Cheng v Maka GPS Technologies Pte Ltd*** [2017] SGHC 48  
High Court of Singapore, 13 March 2017 (Lee v Maka)

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## Introduction

*This case highlights the risk of sending cease and desist letters to an alleged infringer in lieu of enforcement of the patent proprietor's strict legal rights. An alleged infringer who is aggrieved by such cease and desist letter may bring a groundless threats of infringement proceedings in the court against the proprietor (in the form of a counter-claim or otherwise). This case further clarifies the amount of discretion by the Singapore courts relating to awards of relief in relation to a finding of groundless threats of proceedings.*

*This case further addresses the question of the qualification of an expert witness and whether the expert witness can include a patent agent who does not practise in the relevant technical field.*

## Legal basis

Section 77 of the Singapore Patents Act states:

77.—(1) Where a person (whether or not the proprietor of, or entitled to any right in, a patent) by circulars, advertisements or otherwise *threatens another person with proceedings for any infringement of a patent, a person aggrieved by the threats* (whether or not he is the person to whom the threats are made) may, subject to subsection (4), bring proceedings in the court against the person making the threats, claiming any relief mentioned in subsection (3).

(2) In any such proceedings, the plaintiff shall, if he proves that the threats were so made and satisfies the court that he is a person aggrieved by them, be entitled to the relief claimed unless —

(a) the defendant proves that the acts in respect of which proceedings were threatened constitute or, if done, *would constitute an infringement of a patent; and*

(b) the patent alleged to be infringed is *not shown by the plaintiff to be invalid in a relevant respect.*

(3) The said relief is —

(a) a *declaration* to the effect that the threats are unjustifiable;

(b) an *injunction* against the continuance of the threats; and

(c) *damages* in respect of any loss which the plaintiff has sustained by the threats.

(4) Proceedings may not be brought under this section for a threat to bring proceedings for an infringement alleged to consist of making or importing a product for disposal or of using a process.

... [emphasis added]

## Facts of the Case

Lee Tat Cheng (“Lee”) is the proprietor of Singapore patent no. 87795 (the “Patent”) for an in-vehicle camera invention that can be used to record events before, during and after an accident.

Lee claimed that Maka GPS Technologies Pte Ltd’s (“Maka”) offering of three of its devices for sale constitutes an infringement of the Patent. Maka alleged that the Patent is invalid and if valid, is not infringed. Maka also counterclaimed for groundless threats of infringement. In the counterclaim, Maka is considered the plaintiff for the purpose of interpreting section 77.

The groundless threats counterclaim was based on two cease and desist letters sent by Lee’s solicitors to Maka, prior to the commencement of the proceedings. In the first letter, Lee claimed that Maka had infringed the Patent by selling one of its devices, and *inter alia* demanded Maka to pay damages suffered by Lee and Lee’s legal and investigative costs.

Lee claimed in the second letter that all of Maka’s three devices had infringed the Patent, and *inter alia* demanded Maka to provide an account of the number of unites each device sold and pay Lee a license fee; to pay for Lee’s costs for the expert opinion obtained to confirm that Maka’s devices infringed the Patent; and to pay Lee’s investigation and professional fees incurred, if not, Lee was minded to enforce his strict legal rights.

Maka did not comply with Lee’s demands in both letters.

## Findings of the Singapore High Court (the Court)

The Court upheld the validity of the Patent but Maka’s offering of its devices for sale did not infringe the Patent. Maka was thus granted a declaration of non-infringement.

Notwithstanding the fact that the patent was found valid, but because there was no infringement, Lee did not succeed in proving section 77(2)(a).

The Court found that Lee’s letters clearly amount to a threat of infringement proceedings because the letters demanded fees and damages in lieu of Lee’s enforcement of his strict legal right, which the Court considered to include infringement proceedings. Maka, the recipient of the letters, was accordingly found to be a “person aggrieved by the threats”.

In considering the grant of a relief to Maka, the Court referred to a recent case *Singsung Pte Ltd v LG 26 Electronics Pte Ltd (trading as L S Electrical Trading)* [2016] 4 SLR 86 where the groundless threats provisions under *copyright law* were analysed by the Court of Appeal. The Court of Appeal in that case had stated that the grant of relief in the finding of a groundless threat is **discretionary**.

However the Court in the present case noted that the grant of relief under the Copyright Act is provided in discretionary language, in contrast with the relevant provision s77(2) of the Patents Act which employs a more restrictive and stronger language, in that the Court does not appear to have discretion as to whether to award relief under s77 of the Patents Act. Therefore a plaintiff is *prima facie* entitled to be granted a form of relief so long as he has established the requisite requirements under s77.

The Court opined that the type of the relief granted is discretionary. S77(3) of the Patents Act provides that the person aggrieved by the threats is entitled to the followings reliefs:

- a declaration to the effect that the threats are unjustifiable;
- an injunction against the continuance of the threats; and
- damages in respect of any loss which the plaintiff has sustained by the threats.

In relation to the declaration to the effect that the threats are unjustifiable, the Court found this relief unnecessary because of the non-infringement finding on the Patent and the grant of a declaration of non-infringement to Maka.

With regards to damages, the Court opined that the burden is on the plaintiff of the groundless threats to show a loss caused by the threats, where there is no basis for any award (save possibly of a notional sum) if he is unable to establish any loss. Maka failed to show that it suffered any conceivable damage arising from the Lee's letters, which cannot be compensated by a costs order against Lee for having issued an unwarranted threat. Therefore, the Court declined to make any award of damages to Maka.

Although the Court was of the view that it is not bound to grant an injunction against the continuance of the threats, the Court however granted Maka an injunction against the continuance of the threats even though it was of the view that there was nothing to suggest that Lee will make further threats.

### **Observation of the Court in relation to expert witness**

The Court made observations as to the role of expert witness. The Court affirmed that the expert's role is to assist the court in its task of viewing the patent claims through the eyes of the person skilled in the art at the time the patent was applied for. Such a person should possess common general knowledge of the subject matter in question, have a practical interest in the subject matter of the patent or be likely to act on the directions given in it; and whilst unimaginative, be reasonably intelligent and wish to make the directions of the patent work.

In response to the allegation that the Defendant's expert, who is a qualified patent agent, does not possess the necessary experience and knowledge to provide expert evidence because he has not worked in the specific area of automobile equipment, electronics or optical recording equipment, the Court opined that it will assess the qualification of an "expert" based on the qualifications and experience of the patent agent in working in the relevant field of art (if any). The Court must examine the expert's reasons against the standard of "the notional unimaginative skilled man". In this case, the Court deemed that the Defendant's expert is suitably qualified as a 'notional unimaginative skilled man' because of his technical qualification(s); memberships in engineering societies; and work experience in the area of electronics and control systems, notwithstanding the fact that the expert has not worked in the specific area of automobile equipment, electronics or optical recording equipment.

The Court also opined that a qualified patent agent does not become an "expert" simply because of that qualification.

### **Remarks**

The present decision provides clarity on what constitutes a threat under s77(1) of the Patents Act. Making demands of fees and damages in lieu of enforcement of his strict legal right does amount to groundless threats under s77 as the Court considered that the 'strict legal right' includes

infringement proceedings. It is to be appreciated that S77(5) of the Patents Act provides that a mere notification of the existence of a patent does not constitute a threat of proceedings.

The present decision also clarifies that it is not at the Singapore courts' discretion to award a relief on the finding of groundless threats, but rather a plaintiff is *prima facie* entitled to be granted a form of relief so long as he has established the requisite requirements under s77. However the nature of the relief granted appears to be at the discretion of the Singapore courts.

Therefore the present decision provides caution to patent proprietors in the assertion of their patents. Patent proprietors can consider as one possible option to simply notify possible infringers of the existence of their patents, and to avoid language in such notifications that may constitute a threat and attract a claim on groundless threats of proceedings.

The present decision further clarified the qualification of expert witnesses. Qualification (or non-qualification) as a patent agent does not automatically qualify or disqualify one as an expert witness. The Court views the qualifications and experience of an individual against the standard of 'a notional unimaginative skilled man' and assesses whether the individual is capable of assisting the Court in viewing the patent claims through such a person.