

Trade mark infringement - Assessment of statutory damages

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This case illustrates the factors which a court would consider when assessing the amount of statutory damages to be awarded for trade mark infringement.

Louis Vuitton Malletier (**LV**), a luxury brand owner, obtained a search warrant to search the defendant's shop. During the raid on the defendant's shop, police officers seized three wallets bearing a mark identical or similar to LV's registered mark no.

T94038071 (the **Epi Mark**).

The judge found that the defendant infringed the Epi Mark and used a counterfeit trade mark. This entitled LV to claim statutory damages under the *Trade Marks Act*.

Under the statutory damages regime in the *Trade Marks Act*, the trade mark owner does not need to prove his loss on a balance of probabilities as he would normally have to do. However, he must still produce some evidence to enable the court to decide on an appropriate and proportionate award of damages, having regard to the overall circumstances of the case. The maximum amount of statutory damages that may be awarded is S\$100,000 for each type of counterfeit goods, up to an aggregate of S\$1 million, unless the proven loss exceeds S\$1 million. The Trade Marks Act sets out several factors to guide the court in the assessment of quantum of statutory damages to be awarded.

The judge awarded LV statutory damages of S\$35,000 in respect of three items of infringing goods. The following is a summary of the judge's analysis of the guiding factors for the assessment of statutory damages:

Flagrant infringement

The defendant's shop was located at Raffles City, an upmarket shopping centre. The infringing goods were openly displayed for sale. The defendant affixed its own brand to the infringing goods. These were deliberate acts calculated to enable it to gain brand prestige through association with LV's Epi Mark.

LV suffered or was likely to suffer loss

LV adduced evidence to show that its Epi Mark was one of its top five brands and that it had invested significant resources in advertising its Epi line of products in Singapore. The sale of counterfeit goods brings damage to the reputation and goodwill attached to the brand.

Defendant benefited from the infringement

The defendant was essentially free-riding on resources spent by LV in designing and marketing the Epi Mark. By such infringement, the defendant sought to enhance its own commercial reputation and profile and gain brand prestige without investing its own corresponding resources.

LV adduced evidence that it was the 6th most counterfeited brand and the most counterfeited luxury brand in 2013.

Need to deter other similar infringement

There were eight and 12 instances of infringement of the Epi Mark in Singapore in 2013 and 2014 respectively. It is imperative to deter other similar infringement.

Other relevant matters

The defendant was evasive and uncooperative. It did not appear at the hearing or heed the judge's order to disclose full details of the quantities of infringing goods supplied. This deprived LV of the opportunity to discover the full extent of the defendant's infringement. The defendant also showed no form of contrition, such as consenting to judgement or offering any form of reparation or compensation to LV. The defendant cannot be allowed to benefit by simply closing shop and walking away upon the discovery of the infringement.

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