WHAT IS A TRADE MARK?

A trade mark is a letter, word, name, signature, numeral, device, brand, heading, label, ticket, shape, color, aspect of packaging or a combination of these, which is used in the course of a business or trade to distinguish a person’s goods or services from those of others. Over a period of time trade marks also gain a strong recall value.

See how many brands can you recall just by looking at the trade mark.

IDENTIFYING TRADE MARKS

Commonly-used symbols to identify a trade mark are ® and ™. The two symbols have different indications.

• ® refers to a registered and therefore protected trade mark pursuant to trade mark laws.

• ™ is merely a symbol used to identify that the mark is being used as a trade mark by the owner. It however does not denote that the mark is registered and protected under trade mark laws.

Trade mark signs protect your unique brands, words, logos, letters, names, signatures, numerals, devices, brands, headings, labels, tickets, shapes, colours, aspects of packaging or a combination of these in relation to your goods or services. For instance, the sports giant Nike’s trade marks are the phrase “Just Do It”, and the swoosh (tick sign) logo.
REGISTERING A TRADE MARK

BENEFITS OF REGISTERING A TRADE MARK

Quality Assurance
It is a form of Quality Assurance to your customers and clients, sending a message to them that you take pride in your business and all the work you have invested in it.

Legal Rights
Gives you absolute rights to enable you and your business to control the use of that trade marked sign for distinguishing purposes; otherwise the only way is for you to go to court to rectify any imitation and/or infringement of your brand or good name.

Branding
You can prevent another party from using your distinguishing product or service, and from benefiting economically from the goodwill and market value that you have spent time and money to build up over time.

International Legal Protection
Any claims you make against any infringing party that uses your trade mark without your permission may be enforced beyond Singapore, for instance in 83 countries that are signatories to the Nice Convention or if further filed through the Madrid Protocol System. This means that you may be able to stop infringing parties in these other countries from using your trade mark (via an injunction), seek an account of profits or even seek damages from that party for such an unauthorised use.

Tax Rebates
You get up to 400% tax rebates from the Singapore Government under the Productivity and Innovation Credit scheme, to offset costs you incur for registering your trade mark.
REGISTERING A TRADE MARK

REQUIREMENTS FOR FILING A TRADE MARK APPLICATION

For us to file a trade mark on your behalf, we will need the following:

1. name and address of the applicant
2. a clear graphical representation of the mark in JPEG format
3. a list of goods and services sought for registration, and the class according to the International Classification of Goods and Services, and
4. the filing application fee.

THE APPLICATION PROCESS

Before filing an application for registration, we will first conduct a search of the existing trade marks records, to ensure that there is no prior trade mark that is identical or similar to the one you intend to use, particularly in the area of your business.

Upon filing an application, it should be processed and examined within 3-4 months of the filing date.

STEP BY STEP PROCESS:

Formalities Examination

The Registry of Trade Marks would conduct a formalities examination upon receipt of the application and fees. This entails a check that the application contains the minimum required information and the fee paid, whereupon a trade mark number and a filing date will be allocated. The application is also checked if it is made in the prescribed form and that the classification of goods and services has been indicated.

Search

After the application has passed the formalities examination, the Trade Mark Examiners in the Registry of Trade Marks will conduct a search to see if the mark applied for looks or sounds the same as any other trade mark which is already registered or has already been applied for by someone else for the same or similar goods or services. The examiners will also search to see if the mark consists of or contains a geographical name.
In the case of pharmaceutical products, the Registry of Trade Marks will also need to check whether the mark consists of a protected International Non-Proprietary Name (INN). The INNs, furnished by the World Health Organization, are generic names for specific pharmaceutical substances. All of the above may give rise to grounds for objections raised against the trade mark application.

In addition, the specification of goods or services will be checked to ensure that it conforms to the International Classification of Goods and Services. A wrong classification will result in the application being rejected by the Registrar and a fresh application may have to be filed. From the applicant’s perspective, a wrong classification may result in the applicant’s mark not being asserted in priority vis-à-vis later applications.

**Examination**

After the searches have been conducted, the application will be examined to determine whether the mark is registrable in accordance with the law. The examiner will check to ensure that the mark does not fall into the areas not allowed by law, for example, marks that are devoid of any distinctive character.

If the examiners have any objections to the mark, they will inform the applicant of their objections, and grant the applicant a specified period of time in which to overcome the objection. The applicant may also request for an extension of time in which to answer such objections.

**Publication**

Once the objections have been overcome, or if there are no objections, the applicant will be informed of the acceptance of the application for registration and the acceptance will be published for public information in the Trade Marks Journal. Any interested party may oppose the registration of the mark within two months of the publication.

**Opposition**

Opposition is the process whereby members of the public, or any interested third party may object to the grant of a trade mark registration if they have valid grounds for doing so. The grounds of opposition may include issues such as the application is similar to a registered or pending mark, and so forth. The publication period is 2 months.

Once a notice of objection is received, the applicant must respond with a counter-statement to resolve the objection. Both the applicant and opponent must supply evidence to support their respective case. The parties
REGISTERING A TRADE MARK

will then appear before the Registrar or the appointed representative from the Registry of Trade Marks, whereupon a decision on the application will be made after hearing both parties. After the hearing, the Registrar will give the grounds of decision based on the information and evidence presented by both parties.

Registration

If the opposition to the registration is resolved in favour of the applicant, or if there are no opposition, the trade mark will be registered and a registration certificate will be issued within approximately 2 weeks of the completion of the publication period.

Additional Notes

Generally, if the Trade mark is properly registered, the period of protection under the Trade Marks Act is for 10 years (renewable). It is important for you to ensure that there is genuine use of the Trade mark in the course of trade in Singapore. This is because non-use for a period of 5 years without proper reason could result in revocation.

Exceptions to Trade mark infringement include situations where it is fair use in comparative advertising or promotion, or for non-commercial purposes, or for the purpose of news reporting or news commentary.
OPTION 1: PIC - CASH PAYOUT OF UP TO S$60,000

To support small and growing businesses which may be cash-constrained, to innovate and improve productivity, businesses can exercise an option to convert their expenditure into a non-taxable cash payout. They can convert up to S$100,000 (subject to a minimum of S$400) of their total expenditure in all the six qualifying activities into cash payouts.

- An eligible business can opt to convert 60% of qualifying PIC expenditure (capped at S$100,000) into a non-taxable cash payout, amounting to S$60,000 per YA. From 1 Aug 2016, it will be reduced to 40% amounting to S$40,000 per YA.
- Claimable any time after the end of each financial quarter, but no later than the due date for the filing of its income tax returns for the relevant year.

Eligibility Criteria

Businesses that can opt for the cash payout are sole-proprietorships, partnerships, companies (including registered business trusts) that have:

- 3 employees* with CPF contributions during the last year
- Active business operations in Singapore
- Expenditure in any of the six qualifying areas

Qualifying Expenditures

- Prescribed Automation Equipment**
- Training Expenditures
- R & D Expenditures
- Acquisition of Intellectual Property
- Registration of Intellectual Property
- Design Expenditures

* Employees exclude sole-proprietors, partners under contract of service, and shareholders who are directors
** Purchased automation equipment should be put in use by the company.

PIC+

From YA 2015 to 2018, qualifying SMEs can enjoy an additional S$200,000 in qualifying expenditure for each of the six activities per YA.
The Productivity and Innovation Credit (PIC) Scheme provides tax incentives so as to encourage businesses to invest and upgrade along the innovation value chain. The table below outlines the benefits of the PIC:

**OPTION 2: GET UP TO 400% DEDUCTIONS / ALLOWANCE FOR EACH QUALIFYING ACTIVITY**

Before PIC:
Currently, businesses can typically deduct their expenses at cost i.e. 100% as part of the general tax regime.

Tax savings = S$100,000 x 17%

After PIC:
Businesses can now enjoy 400% deduction on the cost of the same expenditure.

Tax savings = S$400,000 x 17%

<table>
<thead>
<tr>
<th>Qualifying activities</th>
<th>Brief description of qualifying expenditures under the PIC</th>
<th>Total deductions/allowances under the PIC (as a % of qualifying expenditure)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acquisition or Leasing of Prescribed Automation Equipment</td>
<td>Costs incurred to acquire/lease prescribed automation equipment</td>
<td>400% allowance or deduction for qualifying expenditure subject to the expenditure cap, 100% allowance or deduction for the balance expenditure exceeding the cap</td>
</tr>
<tr>
<td>Training Expenditure</td>
<td>Costs incurred on: In-house training (i.e. Singapore Workforce Development Agency (“WDA”) certified, Institute of Technical Education (“ITE”) certified; or All external training.</td>
<td></td>
</tr>
<tr>
<td>Acquisition of Intellectual Property Rights (“IPRs”)</td>
<td>Costs incurred to acquire IPRs for use in a trade or business (exclude EDB approved IPRs and IPRs relating to media and digital entertainment contents)</td>
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<tr>
<td>Registration of Intellectual Property Rights (“IPRs”)</td>
<td>Costs incurred to register patents, trademarks, designs and plant variety</td>
<td></td>
</tr>
<tr>
<td>Design Expenditure</td>
<td>Costs incurred to create new products and industrial designs where the activities are primarily done in Singapore</td>
<td></td>
</tr>
<tr>
<td>Research &amp; Development (“R&amp;D”)</td>
<td>Costs incurred on staff, costs and consumables for qualifying R&amp;D activities carried out in Singapore or overseas, if the R&amp;D done overseas is related to the taxpayer’s Singapore trade or business</td>
<td>400% tax deduction for qualifying expenditure subject to the expenditure cap*. For qualifying expenditure exceeding the cap for R&amp;D done in Singapore, deduction will be 150%. For balance of all other expenses, including expenses for R&amp;D done overseas, deduction will be 100%</td>
</tr>
</tbody>
</table>

Note: Maximum claim for each activity is S$1.8M combined for YA 2016- YA 2018.
The information contained herein is intended for general information purposes only and shall not be regarded as professional advice. Readers are therefore advised that before acting on any matter arising from these notes, they should discuss their particular situation with the Firm. No liability can be accepted for any action taken as result of reading the notes without prior consultation with regard to all relevant factors.