

Copyright Litigation

Jurisdictional comparisons

2010

- Introduction** Thierry Calame, Lenz & Staehelin & Massimo Sterpi,
Studio Legale Jacobacci Sterpi Francetti Regoli De Haas & Associati
- Preface** C. Trevor Clarke, Assistant Director General, WIPO
- Foreword** Dale Nelson, Vice President, Senior Intellectual Property Counsel &
Sheldon W. Presser, Senior Vice President & Deputy General Counsel Warner
Bros. Entertainment Inc.
- Australia** Michael Williams, Gilbert + Tobin
- China** Lian Yunze, Yi Wenhui & Wang Zhengfa, Hylands Law Firm
- Ecuador** Sasha Mandakovic & Jaime Mantilla, Falconi Puig Abogados
- Finland** Mikko Manner & Topi Siniketo, Roschier, Attorneys Ltd
- France** Jean-Mathieu Bertho, Olympe Vanner & Alexia de Maulde, Jacobacci
Avocats
- Germany** Dr. Albrecht Conrad, Hengeler Mueller
- Greece** Alkisti-Irene Malamis & Ioanna Charalabous, Malamis & Malamis
- Hong Kong** Charmaine Koo, Deacons
- India** Jagdish Sagar, Anand and Anand
- Italy** Massimo Sterpi & Angela Tasillo, Studio Legale Jacobacci Sterpi Francetti
Regoli De Haas & Associati
- Japan** Masao Torikai, Koichi Nakatani & Koji Ohe, Momo-o Matsuo & Namba
- Malaysia** Karen Abraham, Shearn Delamore & Co
- Malta** Luigi Sansone, Salomone Sansone & Co
- Mexico** Luis Schmidt, Olivares & Cia
- Netherlands** Paul Steinhauser & Michiel Rijdsdijk, Arnold & Siedsma
- Singapore** Regina Quek, One Legal LLC
- South Africa** Herman Blignaut, Spoor & Fisher
- South Korea** Young-June Yang, Sung-Jin Joh, Chang-Hwan Shin & Julia Kim, Kim
& Chang
- Spain** Prof. Dr. Juan José Marín López, Gomez Acebo & Pombo
- Sweden** Stefan Widmark, Niklas Sjöblom & Caroline Ekström, Mannheimer Swartling
- Switzerland** Thierry Calame, Lenz & Staehelin
- Taiwan** J.K. Lin, H.G. Chen, Cynthia C.T. Chen, Boris Lee & Lisa Kuo, TIPLO
Attorneys-at-Law
- Thailand** Nandana Indananda, Suebsiri Taweepon & Hassana Chira-aphakul,
Tilleke & Gibbins International Ltd.
- United Kingdom** Nicola Dagg & Christian Bedford, Allen & Overy LLP
- United States** Jonathan D. Reichman, Maria Luisa Palmese, Mimi Rupp & Aaron
Johnson, Kenyon & Kenyon, LLP

General Editors:

Thierry Calame, Lenz & Staehelin
Massimo Sterpi, Studio Legale Jacobacci
Sterpi Francetti Regoli De Haas & Associati

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Malaysia

Shearn Delamore & Co Karen Abraham

1. SOURCES OF LAW

1.1 What are the principal sources of law and regulation relating to copyright and copyright litigation? (Briefly describe the role of international, federal or state laws and relevance of court decisions, list and briefly describe relevant statutes and international treaties)

The main governing legislation for copyright law in Malaysia is the Copyright Act 1987 (Copyright Act), which came into force on 1 December 1987, replacing the earlier Copyright Act 1969.

Malaysia became a signatory to the Berne Convention for the Protection of Literary and Artistic Works (Berne Convention) in 1990. Pursuant to it, the Copyright (Application to other Countries) Regulations 1990 were made and came into force on 1 October 1990, the day Malaysia acceded to the Berne Convention. Malaysia is also a party to the Agreement on Trade-Related Aspects of Intellectual Property Rights 1994 (TRIPS Agreement).

1.2 What is the order of priority of the relevant sources, ie which take precedence in the event of a conflict?

The Copyright Act is the primary source of copyright law in Malaysia and prevails over all non-legislated sources. The Berne Convention and the TRIPS Agreement could be referred to in the interpretation of the Copyright Act, but in the event of conflict, the Copyright Act takes precedence. Section 6 of the Copyright Act clearly provides that 'no copyright shall subsist otherwise than by virtue of this Act'.

As the Copyright Act is subject to the interpretation of the courts, precedents in case law could either be persuasive or binding. Decisions of higher courts bind that of lower courts, and decisions of the courts of the same level are of persuasive value.

2. COURT AND ADMINISTRATIVE SYSTEM

2.1 In which courts are copyrights enforced? Are they specialised copyrights courts? If not, what level of expertise can a copyright holder expect from the courts?

Civil proceedings for copyright are initiated in the High Court. There is currently a dedicated Intellectual Property Court in the Commercial High Court, presided over by a single judge.

Appeals from the High Court are made to the Court of Appeal, with the Federal Court being the court of final appeal.

The courts, including the appellate courts, are receptive to expert

witnesses being called to the stand to elucidate on matters, including matters of a technical nature, or if industry practice is an issue in question.

2.2 Is there any administrative body (eg a copyright office)? If so, does it have any jurisdiction in copyright litigation?

There is no administrative body *per se*, such as a Copyright Office, to administer the granting and maintenance of copyright in Malaysia. This is principally due to the absence of any requirement for the registration of copyright in Malaysia, pursuant to its obligations under the Berne Convention.

Section 28 of the Copyright Act does however provide for the establishment of a Copyright Tribunal which consists of a Chairman, Deputy Chairman and not more than 20 members, all appointed by the Minister of Domestic Trade, Cooperatives and Consumerism (MDTCC). The Copyright Tribunal is given the power to preside over references and disputes relating to licensing schemes operated by licensing bodies provided under sections 27A-2G of the Copyright Act. The Copyright Tribunal is empowered to entertain any reference and confirm or vary any licensing schemes referred to it as it may determine to be reasonable in the circumstances, as well as determine the applicability of any licensing schemes to any individual or group.

The Copyright Tribunal is further empowered under section 27H of the Copyright Act to preside over references and disputes relating to licences granted by licensing bodies (other than in pursuance of licensing schemes whereby the powers of the Copyright Tribunal are similar to the powers in presiding over references and disputes relating to licensing schemes operated by licensing bodies).

2.3 To what extent are courts willing to consider, or are bound by, the opinions of other national or foreign courts that have handed down decisions in similar cases?

As Malaysia is a common law country and part of the Commonwealth, the decisions of other Commonwealth countries, in particular, the United Kingdom, Singapore and Australia are of persuasive authority here. It is to be noted that many aspects of copyright have not been litigated in the Malaysian courts, and from such a perspective, it is not uncommon that decisions and judgments from the aforementioned states are referred to by the Malaysian courts in copyright proceedings.

2.4 Who can represent parties before the courts handling copyright litigation?

The Rules of High Court 1980 (RHC 1980) provide that any person may begin and carry on, defend, make a counterclaim or intervene in any proceedings in the High Court through a solicitor or in person, except if the person is under a disability whereby the person under a disability may appear through a next friend or guardian *ad litem* acting by a solicitor. The RHC 1980 further provide that a body corporate must begin, carry

on, defend, make a counterclaim or intervene in any proceedings through a solicitor, unless expressly provided by or under any written law. The Copyright Act 1987 however does not provide that a body corporate is enabled to act in proceedings other than through a solicitor.

An advocate and solicitor shall have the exclusive right to appear and plead in all Courts of Justice in Malaysia according to the law in force in those Courts.

The High Court may in certain intellectual property disputes allow the *ad hoc* admission of a qualified advocate and solicitor from another jurisdiction for the purpose of representing any party in such disputes, provided the person has special qualifications or experience of a nature not available amongst advocates and solicitors in Malaysia and that person is instructed by an advocate and solicitor in Malaysia

2.5 What is the language of the proceedings? Is there a choice of language?

All proceedings, other than the giving of evidence by a witness in the courts, are to be in the Malay language, the national language of Malaysia, as provided under the National Language Act 1963/67. If, however, the court so permits, court proceedings may be held partly in the English language after a consideration of the interests of justice in the proceedings. Such permission is often granted, particularly in the higher courts.

Under the RHC 1980, any document filed with the High Court of Malaya has to be in the national language and may be accompanied by a translation in English. Any document filed with the High Court of Sabah and High Court of Sarawak has to be in the English language and may be accompanied by a translation into the national language.

3. SUBSTANTIVE LAW

3.1 What types of works are copyrightable under your law? Does your national law provide for a closed list of copyrightable works or for an open list?

Sections 7(1) and 7(2) of the Copyright Act collectively provide that the following works, irrespective of their quality and the purpose for which they were created, are eligible for copyright:

- literary works;
- musical works
- artistic works;
- films;
- sound recordings; and
- broadcasts.

Section 7(3) further provides that any work falling within the first three categories shall only be eligible for copyright if sufficient effort has been expended to make the work original in character and the work has been written down, recorded or otherwise reduced to material form, as applied by the High Court in *Creative Purpose Sdn Bhd & Anor v Integrated Trans Corporation Sdn Bhd & Ors* [1997] 2 CLJ SUPP 107. It was further held by the

High Court in *Megnaway Enterprise Sdn Bhd v Soon Lian Hock* [2009] 8 CLJ 130 that the degree of effort, skill or labour expended is inextricably linked to the originality of the work.

Section 7(2A) specifically excludes ideas, procedures, methods of operation and mathematical concepts from copyright protection. The exclusion of ideas from protection was in issue in *Goodyear Tyre & Rubber Company & Anor. v Silverstone Tyre and Rubber Co. Sdn Bhd* 1 CLJ 509 where it was held by the High Court that copyright laws are not concerned with the reproduction of ideas, however original, but are concerned with reproduction of the forms in which the ideas are expressed; therefore the idea of the function of the tyre, as opposed to its artistic value, is not protected.

Section 7(4) provides that the making of a work, or the doing of any act in relation to the work, involving an infringement of copyright of some other work does not necessarily disqualify a work for protection. In *Goodyear Tyre & Rubber Company*, it was further held that there would be no infringement of copyright if it can be shown that a work which is precisely similar to another work was in fact produced independently from the other.

Derivative works including translations, adaptations, arrangements and other transformations of works eligible for copyright, as well as collections of works eligible for copyright by reason of the selection and arrangement of their contents, are protected as original works (section 8). Published editions of literary, artistic or musical works which do not consist of reproductions of typographical arrangements of previous editions may be, if the edition is first published in Malaysia or if the publisher of the edition was a qualified person at the date of first publication, eligible for copyright (section 9(1)).

Section 7(5) provides that copyright shall not subsist in any design, which is registered under any written law relating to industrial design to address the overlap between copyright and design laws. Purely functional designs capable of being registered as industrial designs are precluded from copyright protection. Section 7(6) specifically denies copyright protection if a design capable of being registered is not so registered, and where the design has been applied to any article reproduced more than 50 times by an industrial process by the owner of the copyright, or under its licence.

3.2 Does the author of a work have to be a national of your country for the work to qualify as copyrightable or does a work qualify for copyright protection irrespective of the nationality of the author?

Section 10(1) of the Copyright Act provides as follows: '*Copyright shall subsist in every work eligible for copyright of which the author or in the case of a work of joint authorship, any of the authors is, is at the time of the making of the work, a qualified person*'.

This means that in order for a work to enjoy copyright protection, the author must be a qualified person. Section 3 defines a 'qualified person' as a citizen of or permanent resident in Malaysia, or a body corporate established in Malaysia and constituted or vested with legal personality under the laws of Malaysia.

Section 10(2) of the Copyright Act provides as follows:

'Copyright shall also subsist in every work which is eligible for copyright and which

(a) being a literary, musical or artistic work, film or sound recording is first published in Malaysia;

(b) being a work of architecture is erected in Malaysia or being any other artistic work is incorporated in a building located in Malaysia; or

(c) being a broadcast transmitted from Malaysia'.

Notwithstanding sections 10(1) and (2) above, copyright will also subsist if the work is made in Malaysia (section 10(3)). In *Hexagon Tower Sdn Bhd v Polidamic Holdings Sdn Bhd & 3 Ors* [2005] 1 LNS 77, the High Court held that the word 'made' denotes the point where a work is actually completed. However, if the aforesaid alternative conditions are not met, copyright may still be enjoyed and enforced in Malaysia if the works were first produced in a Berne Convention member country. This is provided for under the Copyright (Application to other Countries) Regulations 1990.

There is additionally the protection of a performer's rights under section 10A whereby such protection *'shall subsist in every live performance of which the performer is –*

(a) a citizen or permanent resident of Malaysia; or

(b) not a citizen or permanent resident of Malaysia but whose performance –

(i) takes place in Malaysia;

(ii) is incorporated in sound recordings that are protected under this Act; or

(iii) has not been fixed in a sound recording but is included in a broadcast qualifying for protection under this Act.'

Separately, any work eligible for copyright which is made by or under the direction or control of the Government of Malaysia, and any government organisations or international bodies as may be prescribed under the Copyright Act, shall enjoy copyright protection (section 11(1)).

3.3 What types of rights are covered by copyright? To what extent are moral rights covered by copyright?

The type of rights which a copyright owner has under the Copyright Act varies according to the nature of the right granted. In relation to a literary, musical or artistic work, a film, a sound recording or a derivative work, the copyright holder has, as provided under section 13(1), the exclusive right to control in Malaysia the reproduction, the communication to the public, the performance, showing or playing to the public, the distribution of copies to the public and the commercial rental to the public of the whole work or substantial part of it.

The ambit of the right of reproduction was considered by the High Court in *Rock Records (M) Sdn Bhd v Audio One Entertainment Sdn Bhd* [2005] 1 CLJ 200 where it was held that section 13(1):

'confers on the copyright owner the various rights of exclusive control. One of the exclusive rights of control conferred ... is the reproduction in any material form of the copyrighted work or any substantial part thereof. This means that the plaintiff has the right to control the reproduction of sound recordings in various material forms ... Now, this exclusive right to control reproduction of the sound recordings

may thus be further divided into the various media in which the sound recordings are embodied. Those media includes cassettes, laser discs (LD), video compact discs (VCD) or digital video compact discs (DVD). Thus, a licence granted by the copyright owner to reproduce the sound recordings in cassette format does not extend to the right of reproduction of the sound recordings in video compact disc (VCD) format. And a licence to reproduce the sound recordings in LD format does not extend to the right to reproduce the sound recordings in VCD format'.

The liberal interpretation of the court in *Rock Records* accords with the definition of reproduction under section 3 as 'the making of one or more copies of a work in any form or version, and in relation to an artistic work includes the making of a copy in three dimensions of a two-dimensional work and the making of a copy in two dimensions of a three-dimensional work'.

Copyright in a work of architecture includes the exclusive right to control the erection of any building which reproduces the whole or substantial part of the work (section 14) and copyright in a broadcast includes the exclusive right to control in Malaysia, the recording, the reproduction, and the re-broadcasting, of the whole or substantial part of the broadcast (section 15(1)).

Copyright is also indirectly infringed by the importation of articles, without the licence of the copyright owner, into Malaysia for the purpose of the disposal of the same in the course of trade (section 36(2)).

Additionally, copyright is also infringed by the circumvention of any effective technological measures put in place by authors of works protected by copyright (section 36(3)), as well as by the unauthorised removal or alteration of any electronic rights management information and/or the distribution of such works where the electronic rights management information have been removed or altered (section 36(4)).

Moral rights are covered under section 25 of the Copyright Act and they provide protection against the presentation of a work without any identification of the author and the distortion, mutilation or other modification which significantly alters the work and is such that it might affect the author's honour or reputation, without the author or their estate's consent. Any contravention of section 25 shall be regarded as a breach of statutory duty, and damages as well as the publication of a correction could be ordered by the courts against any person contravening section 25.

Likewise, a performer of a live performance who has the exclusive right to control the communication, fixation and the distribution of such fixation of this performance shall have the right to be identified as the performer of the live performance, and to object to any distortion, mutilation or modification of its performance which would be prejudicial to their reputation (section 25A).

3.4 What defences are available to an alleged infringer? To what extent can 'fair use' or 'fair dealing' be used as a defence? If these doctrines do not exist, are there any comparable limitations?

Statutory exceptions to the exclusive control granted under copyright are found in section 13(2) of the Copyright Act.

The exclusive right to control the copying of works does not extend to the right to control the copying of works by way of fair dealing for purposes of non-profit research, private study, criticism, review, or the reporting of current events. Where the use of the work is public use, the use must be accompanied by an acknowledgment of the title of the work and its authorship, except in the cases where use is by means of a sound recording, film or broadcast.

Additionally, there is a list of specific situations where the exclusive right to control the copying of works do not apply, such as:

- use of a work in a parody, pastiche or caricature;
- copying of a work for the private and domestic use of the maker;
- use of a work in judicial and legal proceedings;
- use of a work by the Government, the National Archives or any State Archives, the National Library or any State Library, or by public libraries and educational, scientific or professional institutions where such use is in the public interest and is compatible with fair practice;
- making copies of works where such works are situated in places where it can be viewed by the public; and
- a list of other specific non-commercial use of a work.

3.5 Is there a requirement of copyright registration? Is copyright registration required to enforce a copyright, ie to obtain damages or other relief? Is a copyright deposit required? Is a copyright notice required? What are the consequences, if any, for failure to make a copyright deposit or to display a copyright notice?

Copyright registration is not required. Copyright is conferred upon a work once all the statutory requirements for eligibility and qualification are met.

Section 42 provides that an affidavit or statutory declaration setting out the claim in copyright made before a qualified person shall be admissible in evidence in any proceedings under the Copyright Act, and such affidavit or statutory declaration shall on the face of it be evidence of the facts contained therein. It is the burden of the party disputing the claim in copyright to offer positive evidence to displace the *prima facie* ownership: *Microsoft Corporation v Yong Wai Hong* [2008] 6 CLJ 223 (Court of Appeal).

It is advisable that a copyright holder, upon the completion of a work, sets out their claim in an affidavit or statutory declaration in duplicate, and deposit a copy of the affidavit or statutory declaration along with an exhibit of a sealed copy of the work with a legal firm or copyright adviser. In the event of a dispute, the affidavit or statutory declaration could be produced by the legal firm or copyright adviser who would be deemed to be an impartial party to proceedings. In the absence of any affidavit or statutory declaration made upon the completion of a work, the copyright holder may face a more difficult task in asserting their claims of ownership as such assertions are not made contemporaneous to the making of the work.

Further, attaching a copyright notice, which usually consists of the word 'copyright' or the symbol © before the year in which the work is completed, may be used to signify to others that a work is copyright protected. It is to be

noted that section 26(4)(a) provides that in the absence of evidence to the contrary, the name of the person appearing on the work is considered the author of the work. This read together with section 26(1), which provides that copyright shall initially vest in the author, means that the person whose name appears on the work is presumed to be the owner of the work.

3.6 How long does copyright protection last?

Copyright is a time-limited right, and the duration of protection under the Copyright Act varies depending on the type of work in which copyright is granted. There is no regime for the renewal of copyright flowing from the absence of a requirement for copyright registration or other formalities.

Literary, musical and artistic works

The life of the author is the basis for any calculation. The copyright in any literary, musical or artistic work subsists during the life of the author and shall continue to subsist for 50 years after their death (section 17(1)). In the case of a joint authorship of such a work, the calculation runs from the date of the death of the last surviving author (section 17(4)).

In the case of a work which is not published during the lifetime of the author, copyright shall subsist for 50 years from the beginning of the calendar year following the year in which the work was first published (section 17(2)).

Where a work is published anonymously, copyright shall subsist for 50 years from the beginning of the calendar year following the year such a work is first published or first made available to the public, whichever is later (section 17(3)).

An exception to the duration of copyright afforded to artistic works is found in section 13B, which is to be read in conjunction with sections 13A and 13C. Section 13B appears to apply in instances where an artistic work not capable of industrial design registration, is exploited by the making of a three-dimensional article according to the work by the copyright owner or with its licence. At the end of 25 years from the end of the calendar year in which such articles are first marketed, the artistic work may then be copied for the making of articles of any description, or in the doing of anything for the purposes of making such articles, and the dealing of such resulting articles by others, without infringing the copyright in the work.

Published editions

Copyright in a published edition of a work shall continue to subsist for 50 years from the beginning of the calendar year following the year in which the edition was published (section 18).

Sound recording

Copyright in a sound recording shall continue to subsist for 50 years from the beginning of the calendar year following the year of first publication, or if it is not published, 50 years from the beginning of the calendar year following the year of fixation (section 19).

Broadcasts

Copyright in a broadcast shall continue to subsist for 50 years from the beginning of the calendar year following the year in which the broadcast was first made (section 20).

Copyright in film

Copyright in a film shall continue to subsist for 50 years from the beginning of the calendar year following the year in which the film was first published (section 22).

Copyright in works of Government, government organisations and international bodies.

Copyright in works of the Government, government organisations and international bodies as prescribed under the Copyright Act shall continue to subsist for 50 years from the beginning of the calendar year following the year in which the work was first published (section 23).

Performers' rights

Rights in a live performance shall continue to subsist for 50 years from the beginning of the calendar year following the year in which the live performance was first given (section 23A).

3.7 How is copyright infringement assessed? Is actual copying to be proved or is substantial similarity sufficient to establish infringement?

In so far as infringement is concerned, section 36(1) of the Copyright Act states that: 'Copyright is infringed by any person who does, or causes any other person to do, without the licence of the owner of the copyright, an act the doing of which is controlled by copyright under this Act'.

In the case of *Dunia Muzik WEA Sdn Bhd v Koh Tay Eng* [1989] 2 MLJ 356, the Malaysian court adopted a wide application of this provision. Gunn J held that the defendant by selling infringing copies of the plaintiffs' sound recordings had *inter alia* 'cause[d], enabled or assisted others to reproduce and to dispose unlawfully of the plaintiffs' works'. Since there was no evidence that the defendant had made the infringing copies, the court must have meant that the defendant had 'caused' others to reproduce the infringing copies.

In the case of *Saleha binti Hussin v Ab Wahid bin Nasir & 2 Ors* [2004] 3 AMR 751, the High Court provided a basis for extending liability to third parties for copyright infringing acts. In this case, the plaintiff, a lecturer and part-time writer, submitted a drama script based on a short story written by the plaintiff to the third defendant, a local television station. As the third defendant wanted the script for a mini series, the plaintiff was asked to work with the first defendant, a drama producer, to develop the plot and to increase the number of episodes. After working on the scripts for about seven episodes, they did not hear from the defendants. The third defendant subsequently broadcast over their television station a mini series produced by the second defendant, a private limited company in the business of

television broadcasting. The plaintiff alleged that the idea, content of the story and dialogue were the same as its short story, the drama script and the reworked script and as a result the three defendants had infringed its copyright and prayed, *inter alia*, that the defendants or their agents be prohibited from broadcasting, distributing or reissuing in the form of a television drama the plaintiff's work without permission, that the defendant return all copies and material infringing the plaintiff's copyright, exemplary and punitive damages.

In its defence, the third defendant averred that it had entered into an agreement with the second defendant where the second defendant had stated that it was rightful owner of the copyright to the mini-series and that it therefore had the right to broadcast the 12 episodes of the drama.

The High Court held that there were clearly substantive similarities between the two works and that by the first defendant's access to the plaintiff's work, it had ample opportunity to plagiarise the plaintiff's work. Because the second defendant was owned by the first defendant, where they were its director, the second defendant was found to be liable for the said infringement.

As the plaintiff was not a party to the agreement between the first and third defendants, the agreement could not protect the third defendant from the plaintiff's action if the second defendant had infringed the plaintiff's copyright.

The court further observed that whether the third defendant had a separate cause of action against the second defendant for indemnity is a separate matter.

The High Court held that where the defendants are joint tortfeasors, there can only be a global sum awarded for general damages as is provided by section 37(1) of the Act. The damages that ought to be awarded are compensation for the loss occasioned to the plaintiff, which are the payments they ought to have received if the screenplays had been accepted for adaptation into television dramas. On the facts, the evidence adduced by the defendants' witnesses was credible as they had been buying and selling screenplays for a long time and the price per episode at the material time would have been between RM800 to RM1,000. For the 13 episodes, applying the price of RM1,000 per episode, the total would amount to RM13,000. However when considering other factors such as the emotional distress suffered by the plaintiff resulting from the infringement of copyright, general damages in the sum of RM20,000 would be appropriate. During cross-examination, the first defendant admitted that the total profit obtained was between RM60,000 to RM70,000. The amount of profit obtained by the third defendant was not known, and could not be estimated. As such, additional damages in the sum of RM50,000 were awarded to the plaintiff. What was interesting to note was that the High Court went as far as to hold that the second and third defendants were liable even though they did not commit any wrongdoing or did not know of the infringing act.

As for the issue of whether actual copying is to be proved and whether substantial similarity is sufficient, the High Court in *Megnaway Enterprise Sdn*

Bhd v Soon Lian Hock (No 2) [2009] 8 CLJ 130 at p143 held as follows: 'There could be infringement even though the imitation is not an exact replica. It does not matter whether the size of the copy has been increased or reduced, or whether the whole or part of the original was copied. There need not be an exact reproduction, but there must be a high degree of similarity between the two' *AUVI Trademark, supra*, per Chao Hick Tin J.

In copyright law, once substantial similarity is established, a *prime facie* presumption of copying by the defendant arises and the burden is shifted to the defendant to rebut the causal connection. Where the defendant has failed to rebut this presumption, the second element is fulfilled.

An important aspect of copyright to take note of is that the plaintiff can only bring a copyright action if the work has been reproduced substantially. If the defendant can satisfy the court that it has expended sufficient effort to make the work original in character, and that there is no causal connection between the two, then the plaintiff may be unlikely to succeed in the copyright action.

Whether or not the offending work is substantially similar, for the purposes of reproduction, to the copyrighted work depends on the quality, and not the quantity, of the similarities. A part of copyrighted work, which has no originality, is not a substantial part of the copyrighted work, and a reproduction of this part is not a substantial reproduction of the copyrighted work. Conversely, a part of the copyrighted work, though small, if novel and striking could be a substantial part of the copyrighted work, and a reproduction of this part could constitute a substantial part of the copyrighted work: *Longman (M) Sdn Bhd v Pustaka Delta Pelajaran Sdn Bhd* [1987] 1 CLJ 588; *Alfa Laval (M) Sdn Bhd v Ng Ah Hai & Ors* [2009] 7 CLJ 1.

3.8 Are there any particularities of assessing copyright infringement for specific types of works (eg software)?

Not applicable.

3.9 Can a copyright be enforced against a trade mark, a domain name, a trade name, a pseudonym or other distinctive signs?

The Trade Marks Act provides that a mark shall not be registered as a trade mark if the use of it would be contrary to law. Therefore, this would suggest that registering a mark that would be in breach of copyright law would be prohibited.

3.10 On what grounds can a copyright be invalidated?

As there is no regime for the registration of copyright in Malaysia, there is technically no provision for the invalidation of copyright. Copyright claims could, however, be challenged and the courts could hold that a work does not enjoy copyright protection as claimed by the holder of a work purportedly enjoying copyright protection. A copyright could be challenged on the ground that a work is not eligible for copyright and/or that there is a lack of nexus or connection between the author or place of first publication of the work to Malaysia (or members of the WTO). Further,

in the case of literary, artistic and musical works, challenges could be made to the originality of the work in that non-sufficient effort has been expended to make the work original in character, or the work is otherwise not written down, recorded or otherwise reduced to material form

3.11 To what extent can enforcement of a copyright expose the copyright holder to liability for an antitrust violation?

The development of competition law, particularly in the area of intellectual property, is still in its infancy in Malaysia. The government is expected to gazette the Competition Act by year end or early 2011. The Competition Bill 2010 and Competition Commission Bill 2010 were tabled for first reading in the Dewan Rakyat on 7 April. Until the coming into force of these laws, there is currently no regulatory regime pertaining to antitrust which would prevent copyright holders from fully exploiting and enjoying their copyright in works, as long as the exploitation is within the ambit of the rights granted under the Copyright Act.

3.12 Are there any grounds on which an otherwise valid copyright can be deemed unenforceable, owing to misconduct by the copyright holder, or for some other reason? Is there a time limit for bringing an infringement action?

Misconduct of the copyright holder, which could include knowingly stating falsehood in an affidavit or statutory declaration claiming copyright, may be interpreted by the courts as coming to the courts with unclean hands and could affect any equitable remedies which may be available to the copyright holder. In cases where the misconduct is deemed serious, the courts may refuse to grant an injunction, founded in equity, against a copyright infringer.

An action for copyright infringement may be time-barred if the action is commenced after a period of six years from the date on which the cause of action accrued. Any fresh act of infringement is considered a fresh accrual of action. Limitation must be specifically pleaded by a defendant in order to come into operation. It is, however, to be noted that a defendant may still plead acquiescence by the copyright holder to its acts of infringement if a substantial period has lapsed before any action is taken against the defendant by the copyright holder, even if the limitation period under the Limitation Act 1953 has not set in.

3.13 Can a copyright holder bring a lawsuit claiming both copyright infringement and unfair competition for the same set of facts?

It is quite possible that the same set of facts may lead a copyright holder to have a cause of action for copyright infringement and passing off. A cause of action in copyright infringement is founded upon the defendant making unauthorised copies of the copyrighted work, while passing off could be founded upon the defendant representing that the copied work originates from, or is associated with, the copyright holder or distributed with its licence when this is in fact not the case. In the latter cause of action, the

copyright holder has first to prove that there is reputation and goodwill in its business connected with the work, and that damage is likely as a result of the misrepresentation made.

4. PARTIES TO LITIGATION

4.1 Who can sue for copyright infringement (copyright holder, exclusive licensee, non-exclusive licensee, distributor)? Does a licensee need to be registered to be eligible to sue?

An infringement of copyright is actionable upon the suit of the copyright holder. Section 38 further provides that the holder of an exclusive licence of copyright has the same right of action and is entitled to the same remedies as available to a copyright holder, and such rights are concurrent with the rights of the copyright holder. No action for infringement shall proceed, other than with the leave of the court, if either the copyright holder or exclusive licensee is not joined as a party to the action. A copyright holder or exclusive licensee could however separately apply for an interim injunction, giving cognisance to the fact that interim injunctions are applied for and granted only in cases of urgency.

Commonly, copyright holders and exclusive licensees set out their respective rights and responsibilities in the relevant licence agreements, in particular the respective obligations to initiate and continue actions, taking into consideration the requirement under the Copyright Act that both must be named as parties to an action in order for an action to proceed.

4.2 Under what conditions, if any, can an alleged infringer bring a lawsuit to obtain a declaratory judgment on non-infringement?

It is unusual for an alleged infringer to bring an action independently of any infringement action to obtain a declaration of non-infringement. The alleged infringer would have to first satisfy the court that it has sufficient *locus standi* to seek such a declaration.

It is more common for a defendant to a copyright infringement action in its defence and/or counterclaim to seek to show that a work is not a work eligible or qualified for copyright protection and/or seek a declaration of non-infringement.

4.3 Who can be sued for copyright infringement? Can the company directors be sued personally? Under what conditions, if any, can someone be sued for inducing or contributing to copyright infringement by someone else?

Any legal personality could be sued for copyright infringement. In the case of an infringement by a company, the company is usually the party named in the action. Unless the directors of the company have acted beyond the limits of their authority, such directors are not usually named as parties to an infringement action, as they are considered officers of the company and actions taken by them are deemed to be taken on behalf of the company.

Other than the person who commits an act of infringement being liable under the Copyright Act, a person who causes acts of infringement have the

same liability as a person who commits the act of infringement. In order for there to be a finding of the causing of infringement, there must have been sufficient nexus between the person committing the act and the person causing the act, eg in an employer-employee situation or where there is a relationship of agency.

4.4 Is it possible to add or subtract parties during litigation?

Under the RHC 1980, Order 6 the courts are empowered, either of their own motion, or upon the application of any party, to order at any stage of proceedings the following:

- that any person improperly or unnecessarily made a party, or ceasing to be a proper or necessary party, to cease to be a party;
- to add as a party any person who ought to be joined to effectively and completely determine all matters in dispute, or any person where there may be an issue between them and a party to the action relating or connected to the action which would be just and convenient to determine.

5. ENFORCEMENT OPTIONS

5.1 What options are open to a copyright holder when seeking to enforce its rights in your country?

In most cases of copyright infringement, the copyright holder works closely hand in hand with the relevant government enforcement agencies to enforce its rights due to the dual nature of copyright protection in Malaysia. An infringement of copyright could lead to both a civil claim for copyright infringement as well as constitute an offence under the Copyright Act.

In the case of a suspected infringement, a copyright owner affirms an affidavit or statutory declaration claiming copyright under section 42 of the Copyright Act, and then lodges a complaint with the Police or the Enforcement Division of the MDTCC.

A warrant for the entry into premises where there are suspected infringing copies or contrivance used to make infringing copies could be obtained by the Enforcement Division of the MDTCC, or the police (if the action is initiated by the police), upon the provision of information which satisfies the issuing magistrate that there is cause for such suspicion. The Enforcement Division of the MDTCC, and the police, are further empowered to enter premises without a warrant if there is reason to believe that the delay caused in obtaining the warrant from the magistrate is likely to result in infringing copies, contrivances used for the making of infringing copies as well as documents and articles connected to the act of infringement to be moved or destroyed (section 44(1)).

Upon entry into premises, the Enforcement Division of the MDTCC, or the police, could seize any infringing copies, or copies suspected of being infringing copies, any contrivance used or which could be used to make infringing copies, as well as all documents and articles which are connected or suspected of being connected to the infringing acts to be used for further investigations or prosecution of the offence of copyright infringement (section 44(2), and a list of such seizures shall be made (section 46).

5.2 Are criminal proceedings available? If so, what are the sanctions?

The Enforcement Division of the MDTCC pursuant to its investigations following a raid and seizure may either refer the matter to the Public Prosecutor to be prosecuted, and the discretion as to whether to prosecute lies with the Public Prosecutor (section 53), or to compound the offence (if prescribed as compoundable) with the consent of the Public Prosecutor (section 41A). The compound acts as a fine for the acts of infringement, and no further proceedings would be taken against the infringer – goods seized during the raid and seizure may be released to the infringer.

There are two categories of offences provided under the Copyright Act. The first category of offences is the acts of infringement of copyright committed (section 41), and the second category is offences created to aid the process of enforcement taken against infringers. Under the second category, it is an offence to:

- refuse access to enforcers to any place (section 48(a));
- assaulting, obstructing, hindering or delaying enforcers in effecting entry or in the execution of their duties under the Copyright Act (section 48(b));
- refusing to provide enforcers with any information relating to an offence or suspected offence (section 48(c));
- knowingly providing false information, or information which is believed to be false, with a view to deceiving enforcers in the execution of their duties under the Copyright Act (section 48(d)); or
- knowingly making any statement in any statutory declaration or affidavit claiming copyright, which is false, or which is believed to be false (section 48(e)).

5.3 Are border measures available?

A copyright holder may seek to prohibit the importation of infringing copies into the country by making an application to the Director General of the Intellectual Property Corporation of Malaysia, who is the Controller of Copyright, to request that during a specified period the copies of certain works are to be treated as infringing copies (section 39(1)). Infringing copies are defined as 'any copy of a work made outside Malaysia the making of which was carried out without the consent or licence of the owner of the copyright in the work'. Upon the approval of the application, the importation of the infringing copies would be prohibited and are liable to seizure and forfeiture.

5.4 Is it compulsory to send a cease and desist letter to an alleged infringer before commencing copyright infringement proceedings? What are the consequences, if any, for making unjustified threats of copyright infringement?

It is not compulsory to send a cease and desist letter to an alleged infringer before copyright proceedings are initiated. The letter is, however, proof to the court that the plaintiff had in fact taken some steps to resolve this matter before resorting to the courts.

5.5 To what extent are courts willing to grant cross-border or extra-territorial injunctions?

Civil jurisdiction of the Malaysian High Courts is governed by section 23(1) of Courts of Judicature Act (CJA), which reads as follows:

'23. Civil jurisdiction – general

- (1) Subject to the limitations contained in art. 128 of the Constitution the High Court shall have jurisdiction to try all civil proceedings where:
- (a) the cause of action arose, or
 - (b) the defendant or one of several defendants resides or has his place of business, or
 - (c) the facts on which the proceedings are based exist or are alleged to have occurred, or
 - (d) any land the ownership of which is disputed is situated, within the local jurisdiction of the court and notwithstanding anything contained in this section in any case where all parties consent in writing within the local jurisdiction of the other High Court'.

Section 23(1)(b) of the CJA has been interpreted to provide extra-territorial jurisdiction to the High Court in cases where foreigners overseas are sued as co-defendants with local residents. In the case of *United Malayan Banking Corporation Bhd v Soo Lean Tooi & Ors* where the late Yusuf Abdul Rashid J had expressed the following opinion on section 23(1)(b):

'In my opinion it is the intention of the Legislature to confer jurisdiction on the High Court of Malaysia under section 23(1)(b) of Act 91 on a person who does not reside or has no place of business or has no property within local jurisdiction of the said High Court if such person is one of several defendants who have been sued where the other defendants are residing or have a place of business or have property within the local jurisdiction of the said High Court. Section 23(1)(b) of Act 91 would not have been worded so, had the intention of the Legislature been different. Should the words 'one of several defendants' been omitted, then the High Court would not have jurisdiction on a person who is one of the several defendants and who does not reside within the local jurisdiction thereof even if the other defendants are residing therein. Since the provisions of section 23(1)(b) of Act 91 are in pari materia with the provisions of section 16(1)(b) of the Singapore Act, the latter provisions should admit of the same construction.'

In interpreting section 23(1)(b) of the CJA, the Malaysian courts have in general assumed that Parliament intends to confer on the High Court extra-territorial jurisdiction in cases where more than one defendant is being sued, so long as one of the several defendants resides or has its place of business within Malaysia.

5.6 To what extent do courts recognise the blocking effect of 'torpedo' actions abroad?

There have been no reported cases dealing with this point as of yet.

5.7 To what extent are alternative dispute resolution (ADR) methods (such as arbitration or mediation) available to resolve copyright disputes? How widespread are ADR methods and in which sectors?

The Kuala Lumpur Regional Centre for Arbitration (KLRCA), established under the auspices of the international legal body of the Asian-African Legal Consultative Organisation, provides a neutral system for the settlement of disputes in trade, commerce and investment with and within the Asia Pacific region. The KLRCA is an independent arbitral institution and any arbitration conducted under the Rules of the KLRCA is excluded from the supervision or intervention of the courts. Additionally, the KLRCA provides a system for the conciliation and mediation of disputes. The Rules under the KLRCA for conciliation and mediation incorporate provisions of the UNCITRAL conciliation rules.

While ADR methods, particularly arbitration, have gained a foothold in the resolution of commercial disputes in Malaysia, such methods are often not utilised in the settlement of intellectual property disputes. One of the reasons could be that in most cases of copyright infringement, the main remedy sought by the copyright holder is an injunction against further acts of infringement, and interim injunctions could be granted by the courts pending the determination of the action, while such interim injunctions are not a remedy available pending the determination of disputes by way of ADR.

6. PROCEDURE IN CIVIL COURTS

6.1 What is the format of copyright infringement proceedings?

Copyright infringement proceedings are initiated in the High Court.

6.2 Are disputed issues decided by a judge or a jury?

In copyright disputes, a judge sitting alone in the High Court shall hear and determine on both issues of fact and law. Upon an appeal of a High Court's decision to the Court of Appeal, the proceedings in the Court of Appeal are heard and disposed by three judges or such greater number of judges as may be determined by the President of the Court of Appeal. Proceedings in the Federal Court are disposed by three judges or such greater number of judges as may be determined by the Chief Justice.

6.3 To what extent are documents, affidavits, witnesses and/or (court-appointed or private) experts used? Is it possible to cross-examine witnesses?

Under the RHC 1980, Order 40 the High Court is empowered, upon the application of any party, to appoint an expert witness to inquire and report upon any question of fact or opinion where there is such a need. Parties may apply to cross-examine an expert witness on the report produced.

6.4 To what extent is survey evidence used (eg to prove substantial similarity)? What is its relevance in proceedings (eg party allegation, evidence)? Who decides which consumers are questioned in the survey (eg the court, court expert)? What level of cost should one expect to incur to carry out a survey? Are these costs recoverable from the losing party?

The evidence of surveys is of persuasive value and may assist the courts in determining issues. Generally surveys are conducted by the parties to support their claims or defence, and not ordered by the courts. The conduct of any survey is generally determined by the party who commissions the survey and the outcome from such survey would be influenced by the manner in which it had been conducted. Such a fact is given cognisance by the courts in attaching any value to evidence resulting from surveys commissioned by parties to proceedings. A party may attempt to recover the costs of the survey if an order for costs is made by the courts.

6.5 Is evidence obtained for criminal proceedings admissible in civil proceedings, and vice versa?

Evidence from criminal proceedings is admissible in civil proceedings and vice versa. This stems from the fact that a civil suit and criminal prosecution could separately be initiated by the copyright holder, or exclusive licensee, and the public prosecutor respectively from the same set of facts. In practice, however, the Enforcement Division of the MDTCC generally withholds access to documents and articles obtained from raids and seizures from complainants, and this makes it difficult for a copyright holder to prove its claims without such access if the only evidence the copyright holder has of any infringing acts are those obtained during a raid and seizure.

6.6 To what extent is pre-trial discovery permitted? If it is permitted, how is discovery conducted? If it is not permitted, what other, if any, mechanisms are available for obtaining evidence from an adverse party or from third parties?

The RHC 1980, Order 24 sets out the mechanism for the discovery and inspection of documents at the pre-trial stage.

Firstly, there is the requirement for the mutual discovery of documents at the close of pleadings whereby parties to an action shall make and serve on each other a list of documents which or have been in their possession or custody relating to any matter in question in the action. In such an instance, a party could apply to the High Court for an order that discovery by all or any of the parties is not necessary, or that the discovery is to be confined to certain classes of documents.

Secondly, the High Court is empowered to order the discovery of documents on the application of any party to an action upon the failure by another party to comply with the requirements for discovery under the RHC 1980. The High Court may further order that the party ordered to make the discovery make and file an affidavit verifying the lists of documents to be filed, and a copy to be served on the applicant.

The documents listed by a party to an action for discovery shall be available for inspection and the taking of copies by the other party. The High Court is empowered to make an order for such documents to be made available for inspection and the taking of copies, on the application of any party to the proceedings, upon the failure of the other party to produce any documents listed for discovery for inspection and taking of copies.

Failure to comply with the rules of discovery may, in the more serious cases, result in an action being dismissed, or a defence struck out and judgment entered accordingly.

6.7 What level of proof is required for establishing infringement or invalidity?

A copyright holder has to show the balance of probabilities that an infringement has occurred in order to succeed in such an action. Likewise, a party claiming that the copyright to a work is invalid has to show on a balance of probabilities that the work is either not eligible for copyright, or does not qualify for protection, or both.

6.8 How long do copyright infringement proceedings typically last? Is it possible to expedite this process?

Due to the recently introduced case management system in the High Court, proceedings have sped up enormously. Proceedings will take approximately two to three years to conclude assuming that they proceed to full trial.

6.9 What options, if any, are available to a defendant seeking to delay the proceedings? Under what conditions, if any, can proceedings be stayed? How can a plaintiff counter delaying tactics of a defendant?

One of the signs that a defendant may be seeking to delay proceedings is the filing of, what on the face of it, appears to be indiscriminate interlocutory applications eg an application to strike out the action for disclosing no reasonable cause of action when there is clearly a cause of action for infringement, or an appeal from any decisions of the court in which the appeal is clearly unsustainable. In these instances, the courts are empowered to stay proceedings pending the determination of the applications or appeals, and the discretion whether to stay proceedings lies with the courts and would be determined with reference to the facts in the proceedings. To further counter the prejudice which may be caused to a plaintiff by such actions, the courts are empowered to award costs against a defendant upon a determination of the applications and appeals against the defendant.

It is to be noted that the High Court under the new case management system is less likely to countenance delay or any delaying tactics.

7. FINAL REMEDIES

7.1 What remedies are available against a copyright infringer (final injunction, delivery up or destruction of infringing goods, publication of the decision, recall-order, monetary remedies, etc.)?

Section 37 of the Copyright Act provides that: 'infringements of copyright

shall be actionable at the suit of the owner of the copyright and in any action for such an infringement, all such relief by way of damages, injunction, accounts or otherwise, shall be available to the plaintiff as are available in any corresponding proceedings in respect of infringement of other proprietary rights.'

There are also the ancillary prayers of discovery, delivery up and destruction, which will help facilitate the enforcement of the order obtained.

7.2 To the extent it is possible to obtain a final injunction against future infringement, is it effective against the infringer's suppliers or customers?

The courts may order a final injunction against future acts of infringement. It is to be noted that an injunction is specific to the person to whom it is directed, and does not bind persons not included in the injunction.

7.3 What monetary remedies are available against a copyright infringer (reasonable royalty, lost profits, account of profits, or some other basis)? Are punitive damages available? If so, under what conditions? Are liability and quantum of monetary remedies assessed at the same time by the court or is the quantum assessed at a separate, later stage from liability?

Upon a finding of infringement, the courts may in awarding and assessing damages use different computations to determine the loss suffered by the copyright holder or the gain obtained by the infringer, including the computation of any royalty which should have been paid, loss of profits and account of profits. Additionally, the court may, having regard to the flagrancy of the infringement and the benefit accrued to the infringer by reason of the infringement, award additional damages to the copyright holder, as the court may consider appropriate in the circumstances.

Apart from the above approach, the court may also use other approaches, one of which is the 'licence fee' approach, which is the fees or royalties that the plaintiff would have obtained from the defendant. Where the 'licence fee' approach is not appropriate (*Autodesk Australia Pty Ltd & Anor v Cheung* [1990] 94 ALR 472), the court will usually assess damages based on the losses caused to the copyright owner by the defendant's sale of infringing copies.

8. PRELIMINARY RELIEF

8.1 Is preliminary relief available? If so, what preliminary measures are available (eg preliminary injunction) and under what conditions? Is urgency a condition for the court to grant preliminary relief? If so, how is it determined?

Generally, an aggrieved person will seek an interlocutory injunction during the course of the pre-trial period, as opposed to a final or permanent injunction whereby the remedy is only granted at the conclusion of the trial. Interlocutory injunctions may be applied for *ex parte* (ie without informing the defendant) or *inter partes* (where the defendant is informed and is entitled to be heard before the judge decides whether to grant or refuse the

interlocutory injunction). The principles on which interlocutory injunctions are to be granted are laid down in the landmark case of *American Cyanamid Co. v Ethicon Ltd.* [1975] AC 396 at 407-408, the principles of which have been applied by Gopal Sri Ram in *Keet Gerald Francis Noel John v Mohd. Noor bin Abdullah & Ors.* [1995] 1 MLJ 193 at 206-207. The guidelines stated by Gopal Sri Ram JCA in *Keet Gerald* are:

- (i) whether there is a *bona fide* serious issue to be tried;
- (ii) having found that an issue has been disclosed that requires further investigation, whether the justice of the case lies by taking into account all relevant matters, including the practical realities of the case and the harm the injunction would produce by its grant, against the harm that would result from its refusal; and
- (iii) the judge must have in the forefront of their mind that the remedy they are asked to administer is discretionary, intended to produce a just result for the period between the date of the application and the trial proper and to maintain the *status quo*.

Such an injunction is obtained on the basis of undertakings as to damages in the event the plaintiff fails to obtain judgment.

Injunctive relief is equitable in nature. Interlocutory injunctions must be applied for speedily as soon as the plaintiff becomes aware that its copyright is infringed unless such delay and inaction are adequately explained. All material facts must be disclosed. Any suppression of material facts even due to an error of judgment may be fatal. Misrepresentations of any fact or circumstances may also be fatal. A triable issue whether on points of law or of fact must be established. The balance of convenience must favour the grant of the interlocutory injunction. The judge will consider whether it would be the plaintiff or the defendant that would suffer greater hardship and injustice if the interlocutory injunction were granted or refused. The judge will also consider whether the damages likely to be suffered can be quantified in monetary terms and, whether the defendant is capable of and is in a financial position to pay. Sometimes, instead of an interlocutory injunction being granted, the judge may, depending on the facts and circumstances, order that part of the proceeds of the defendant be held in a joint account as security for any damages that the defendant may be ordered to pay eventually.

Apart from the interlocutory injunction, an Anton Piller Order is also a form of pre-trial relief. A *mareva* injunction may also be obtained if the plaintiff has evidence that the defendant is dissipating its assets to avoid having to pay damages likely to be ordered against it. Its bank accounts may be frozen and the order may extend even to assets outside Malaysia. The onus is on the plaintiff to establish the need for such an order.

8.2 Is *ex parte* relief available, where the defendant is given no notice at all? If so, under what conditions?

Where an *ex parte* interim injunction is sought under Order 29 rule 1(2) of the RHC 1980, the plaintiff has to show that there is urgency in obtaining the injunction and notification to the defendant could not be made in time.

Any delay by the plaintiff in the making of an application for an order under Order 29 rule 1(2) would be a ground for the refusal for the granting of the order.

The plaintiff is to provide in an affidavit all material facts known to it in justifying the grant of an interim injunction, and this requirement is mandatory. The failure to state any material facts, including those which may prejudice the application, may result in the *ex parte* interim injunction being set aside upon an application by the defendant: *UMAS Sendirian Berhad v RHB Bank Berhad & Anor* [2001] 1 AMR 1024.

This *ex parte* injunction only lasts for a three-week period and has to be replaced by an *inter partes* injunction should there be the need to extend the injunction beyond this three-week time frame.

8.3 Are protective writs known in your country and what effects do they have on the preliminary injunction proceedings?

Not applicable.

8.4 Is the plaintiff entitled to ask for an order that the defendant's premises are searched and a description of the infringing goods (and the accounting data relating thereto) is made in order to establish proof of infringement (*saisie-contrefaçon*)? If not, what other mechanisms, if any, are available for seizing and preserving evidence for trial?

In cases where the preservation of material documentary evidence essential to an applicant's case is in issue and there are fears that such evidence may otherwise be destroyed or concealed, the applicant could apply to the courts for an Anton Piller order which would effectively allow the applicant to enter premises specified in the order to inspect and take into custody documents and articles specified in the order. Any documents or articles taken into custody may be used by the applicant as evidence in a copyright action.

8.5 Can the defendant put the validity of a copyright at issue in preliminary injunction proceedings?

As the applicant for an interim injunction has to show that there is a triable issue before such an injunction is granted by the courts, a defendant could by successfully disputing the validity of the copyright in issue defeat the plaintiff's claim that there is any triable issue. It is to be noted that the courts would not go into the full merits of a claim at this stage, but would consider whether the plaintiff has shown *prima facie* that the copyright is valid and there is infringement of the same.

8.6 What is the format of preliminary injunction proceedings?

In Malaysia, the application for an interlocutory injunction must be made by way of summons in chambers (Order 29 rule 1(2)). The plaintiff then issues and serves a summons in chambers which notifies the defendant of the date and time of the hearing of the application and the terms of the order sought by the plaintiff.

8.7 If a preliminary injunction is granted and the main infringement action is finally lost, can the defendant claim damages for the unjustified preliminary injunction? If so, how are the damages calculated? Must the plaintiff provide some form of bond/guarantee to compensate the defendant in the event that the preliminary injunction is later held to have been wrongly imposed?

The 'price', which the plaintiff has to pay for the grant of the interlocutory injunction, is an undertaking as to damages that must be given to the court. In the event the plaintiff lost at trial, it has to pay the defendant the damages the defendant had suffered by having been unlawfully and unjustifiably prevented from conducting its trade and business in the allegedly infringing works.

8.8 To what extent are documents, affidavits, witnesses, survey evidence, and/or (court-appointed or private) experts used in preliminary injunction proceedings?

An application for an interlocutory injunction is supported by affidavit evidence. The affidavit in support of the application sets out the facts and the grounds on which the injunction is based. Hearsay evidence is permitted provided the source of the information is stated.

8.9 What level of proof is required for establishing infringement or invalidity in preliminary injunction proceedings?

Applications for interim injunctions are heard in chambers, and parties rely on affidavit evidence to either prove or disprove a *prima facie* case of infringement. The issues in the action would only be fully ventilated during trial whereby full evidence would be produced and witnesses called.

8.10 How long do preliminary injunction proceedings typically last?

Applications for interim injunctions could be fixed for hearing before the court reasonably quickly and the hearing would generally conclude within the day of the hearing, with the decision generally granted immediately after the hearing.

8.11 Where a preliminary injunction is granted, is it necessary to start main proceedings to confirm the preliminary injunction?

In a situation whereby action has not been commenced by the plaintiff, the plaintiff has to immediately commence action against the defendant.

9. APPEAL PROCEDURE

9.1 What avenues of appeal are available for a defeated party in main proceedings or preliminary injunction proceedings? Under what conditions?

Any judgment or order of the High Court is appealable to the Court of Appeal, as provided under the Courts of Judicature Act 1964, except where:

- the amount or value of the subject-matter of the claim is less than RM250,000, absent the leave of the Court of Appeal;

- where the judgment or order is made by consent of the parties;
- where the judgment or order relates to costs only, absent leave of the Court of Appeal; or
- where under any written law, the judgment or order is final.

An application for an injunction is an application for specific relief. It was held by the Court of Appeal in *Soo Hong & Leong Kew Moi & Ors v United Malayan Banking Corp. Bhd. & Anor* [1997] 2 CLJ 548 that no leave is required for an appeal to the Court of Appeal in an application for specific relief.

The Courts of Judicature Act 1964 further provides that leave for an appeal of any judgment or order from the Court of Appeal to the Federal Court shall lie if:

- there is a question of general principle decided for the first time or a question of importance upon which a decision of the Federal Court would be of advantage to the public; or
- the decision relates to the effect of any provision of the constitution.

There is no right of appeal to the Federal Court, and an appellant has to satisfy the Federal Court that the issues at hand fall within the narrow ambit of matters where leave to appeal would be granted.

9.2 If an appeal is filed, is relief usually stayed pending the outcome of the appeal?

Upon the application of a party to an action, a judgment or order of the High Court is generally stayed pending an appeal, particularly if the enforcement of the judgment or appeal would render the appeal nugatory or academic.

9.3 How long do appeal proceedings typically last?

An appeal to the higher courts will generally be determined within two years.

10. LITIGATION COSTS

10.1 What level of cost should one expect to incur to take a case through to a first instance decision, preliminary injunction proceedings and/or appeal proceedings?

Costs which one should expect to incur to take a case through to a first instance decision, preliminary injunction proceedings and/or appeal proceedings vary widely and is dependant on factors such as the complexity of the case, the amount of preparatory work required and the requirement for expert witnesses, among other factors.

The estimated costs for commencing a civil action are as follows:

- (a) if matter is concluded subsequent to the execution of an undertaking to cease and desist: RM5000-RM7500 (\$1,667-\$2,500);
- (b) Application for temporary injunction *ex parte*: RM10,000-RM15,000 (\$3,333-\$5,000);
- (c) Application for temporary injunction *inter parte*: RM15,000-RM30,000 (\$5,000-\$10,000);
- (d) Application for Anton Piller Order (in addition to (c)): RM20,000 (\$6,667);
- (e) Execution of Anton Piller Order on first premises: RM15,000 (\$5,000)

- excluding supervising solicitors' fee;
- (f) Execution of Anton Piller Order on second and subsequent premises RM3,000 (\$1,000) per premise;
 - (g) Resisting Offender's application to set aside Anton Piller Order and temporary injunction if any: brief fee of RM20,000-RM30,000 (\$6,667-\$10,000) plus daily refresher of RM3,500 (\$1,200) exclusive of disbursements a day or part of a day court attendance;
 - (h) Trial of Action: RM50,000-RM75,000 (\$16,667-\$25,000) plus brief fee RM3,500 (\$1,200) per day or part thereof for court attendance exclusive of disbursements;
 - (i) Application for Trade Description Order: RM15,000 (\$5,000)
 - (j) Lodging complaint, co-ordinating raids and seizures with Enforcement Office: RM10,000 (\$3,333);
 - (k) Attendance upon raid at each premise: RM3,500 (\$1,200).

10.2 Can attorney fees and costs be recovered by the winning party?

Costs in any proceedings are only recoverable under an order of the court. The courts in the exercise of their discretion generally make an order for costs to follow the event, ie in the case where infringement has been found, against the infringer. The courts could however take into account any conduct or misconduct of parties to an action when awarding costs, eg penalising any misconduct of the winning party by withholding an order as to costs.

11. FORTHCOMING LEGISLATION

11.1 What are the important developing and emerging trends in your country's copyright law?

There has been an increase in the sale of counterfeit products online and this has posed a challenge to copyright laws. The trend now is to send demand letters to service providers seeking their cooperation in taking down the relevant infringing material. Generally, service providers are cooperative in taking down such infringing material from their web sites. There is talk that the Copyright Act will be amended to deal with the liability of internet service providers. There has also been a trend to extend the liability for IP infringement to the landlords and owners of the premises.

11.2 To the extent it relates to copyright enforcement, please outline any major copyright legislation in the pipeline.

There are talks that the Copyright Act should be amended to allow action to be taken against those who possess pirated DVDs and contain provisions dealing with liability of internet service providers.

12. USEFUL REFERENCES

12.1 Please identify any useful works of reference relating to copyright law and copyright litigation in your country, including useful websites.

Copyright in Malaysia, Khaw, Lake Tee, 2001 Malayan Law Journal
Website of the Intellectual Property Corporation of Malaysia www.mipc.gov.my
Malaysian Intellectual Property Association www.mipa.org.my.