

Copyright Litigation

Jurisdictional comparisons

Second edition 2015

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Contents

Foreword Thierry Calame & Massimo Sterpi	1
Brazil José Mauro Decoussau Machado & Matheus Chucuri dos Santos Pinheiro Neto Advogados	3
China Lian Yunze & Liu Yuping Hylands Law Firm	21
Denmark Janne Glæsel & Johan Leonhard Svendsen Gorrissen Federspiel	43
Ecuador Santiago Mosquera Alcocer & Mario Ruiz Fernandez Falconi Puig Abogados	61
Finland Mikko Manner & Tiina Komppa Roschier, Attorneys Ltd.	77
France Jean-Mathieu Bertho, Olympe Vanner & Alexia de Maulde Jacobacci Avocats	95
Germany Albrecht Conrad & Fabian Seip Hengeler Mueller	115
Greece Alkisti-Irene Malamis & Ioanna Charalabous Malamis & Associates	135
Hong Kong Charmaine Koo Deacons	155
India Dhruv Anand & Tanvi Misra Anand and Anand	183
Italy Massimo Sterpi & Angela Tasillo Studio Legale Jacobacci & Associati	201
Japan Masao Torikai, Koichi Nakatani & Koji Ohe Momo-o Matsuo & Namba	223
Malaysia Karen Abraham Shearn Delamore & Co.	241
Malta Dr. Luigi A. Sansone Salomone, Sansone & Co.	269
Mexico Luis Schmidt Olivares	291
The Netherlands Michiel Rijdsdijk Arnold + Siedsma	309
Singapore Regina Quek One Legal LLC	327
South Africa Herman Blignaut Spoor & Fisher	351
South Korea Jay (Young-June) Yang, Chang-Hwan Shin & Nayoung Kim Kim & Chang	375
Spain Iban Díez López & Jaime Bello Ayala Gómez-Acebo & Pombo	391
Sweden Håkan Borgenhäll & Tobias Kempas Advokatfirman Vinge KB	411
Switzerland Thierry Calame & Peter Ling Lenz & Staehelin	433
Thailand Nandana Indananda, Suebsiri Taweepon & Hassana Chira-Aphakul Tilleke & Gibbins	459
United Kingdom Nicola Dagg Allen & Overy LLP	479
United States Jonathan D. Reichman, Maria Luisa Palmese & Abhishek Bapna Kenyon & Kenyon, LLP	509
Vietnam Linh Thi Mai Nguyen & Loc Xuan Le Tilleke & Gibbins	527
Contacts	547

Malaysia

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1. SOURCES OF LAW

1.1 What are the principal sources of law and regulation relating to copyright and copyright litigation?

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. The law has undergone various significant updates since then, with amendments to the Act taking effect in 1990, 1999, 2000 and 2003 and most recently in 2012.

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).

Malaysia joined the WIPO Copyright Treaty (WCT) and WIPO Performances and Phonograms Treaty (WPPT) effective 27 December 2012.

1.2 What is the order of priority of the relevant sources, ie which takes 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 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?

The Copyright (Voluntary Notification) Regulations 2012 came into force on 1 June 2012. A right holder can now voluntarily give notification to the Registrar of Copyright of its interest in the copyrighted works, with the payment of the prescribed fees. Pursuant to this Regulation, there is now a Copyright Office in Malaysia, which is essentially the office of the Intellectual Property Corporation of Malaysia. The Copyright Office does not have jurisdiction in copyright litigation.

Section 28 of the Copyright Act also provides for the establishment of a Copyright Tribunal which consists of a Chairman, Five Deputy Chairmen and 12 persons whom the Minister of Domestic Trade, Cooperatives and Consumerism (MDTCC) considers fit and proper to be members of the Tribunal. 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-27G 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 when presiding over references and disputes relating to licensing schemes operated by licensing bodies).

Further, section 28(2) of the Copyright Act also provides that the Tribunal has the power to decide an application by a performer under section 16B of the Copyright Act for equitable remuneration; an appeal under subsection 27A(8) of the Copyright Act by a licensing body which is aggrieved by the decision of the Controller; and to grant licences to produce and publish in the national language or other vernacular languages in Malaysia a translation of a literary work written in any other language.

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.

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

The Rules of Court 2012 provide that any person may begin and carry on

proceedings in the Court by a solicitor or in person.

The Rules of Court 2012 further provide that a body corporate must begin or carry on proceedings through a solicitor, unless expressly provided by or under any written law. 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.

In the event of urgency, proceedings may be commenced in the English language provided that a certificate of urgency explaining the urgency of the matter is filed by the solicitor and copies of all such documents in the national language are filed within two weeks or within such extended period as the court may allow.

Under the Rules of Court 2012, 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. It is our view that Malaysian law provides for a closed list of copyrightable works.

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.

3.2 Is software considered copyrightable under your law?

In the definition of 'literary work' in section 3 of the Copyright Act, 'computer programs' have been listed in para (h) as an example of one. Therefore by virtue of section 7(1) of the Act, computer program, being a literary work, is eligible for copyright. According to the definition in section 3 of the Act, 'computer program' is defined as 'an expression, in any language, code or notation, of a set of instructions (whether with or without related information) intended to cause a device having an information processing capability to perform a particular function either directly or after either or both of the following:

- (a) conversion to another language, code or notation;
- (b) reproduction in a different material form.'

Copyright protection is therefore extended to the computer codes written in a computer language as a literary work.

3.3 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?

The Copyright Act provides that in order for a work to enjoy copyright protection in Malaysia, 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)).

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 performances 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 such government organisations or international bodies as may be prescribed by the Minister, shall enjoy copyright protection (section 11(1)).

3.4 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 in any material form, the communication to the public, the performance, showing or playing to the public, the distribution of copies to the public by sale or other transfer of ownership and the commercial rental to the public of the whole work or substantial part of it either in its original or derivative form provided that:

- the exclusive right to control the distribution of copies refer only to the act of putting into circulation copies not previously put into circulation in Malaysia and not to any subsequent distribution of those copies or any

- subsequent importation of those copies into Malaysia; and
- the exclusive right to control commercial rental in relation to films only apply when such commercial rental has led to widespread copying of such work materially impairing the exclusive right of reproduction.

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 rebroadcasting, of the whole or substantial part of the broadcast (section 15).

Copyright is also infringed by the importation of articles, without the licence of the copyright owner, into Malaysia for the purpose of selling, letting for hire or by way of trade, offering or exposing for sale or hire, an article where he knows or ought reasonably to know that the making of the article was carried out without the licence of the copyright owner (section 36(2)).

Additionally, copyright is also infringed by the circumvention of any technological protection measures by or with the authorisation of the copyright owner (section 36(A)(1)), as well as by the removal or alteration of any electronic rights management information and/or the distribution of such works where the electronic rights management information has been removed or altered without authority (section 36(B)).

Moral rights are covered under section 25 of the Copyright Act and they provide protection against: (a) the presentation of a work without any identification of the author; (b) the distortion, mutilation or other modification which (i) significantly alters the work; and (ii) is such that it might adversely affect the author's honour or reputation, without the author's 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 shall as regards his performance have the right to be identified as the performer of his performance, except where omission is dictated by the manner of use of the performance; and to object to an distortion, mutilation or modification of his performance which would be prejudicial to his reputation (section 25A).

3.5 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 research, private study, criticism, review, or the reporting of current events. Where the use of the work is by way of fair dealing, there must be an accompaniment of an acknowledgment of the title of the work and of the 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:

- doing by way of fair dealing by way of a parody, pastiche or caricature;
- inclusion in a film or broadcast of any artistic work situated in a place where it can be viewed by the public;
- reproduction and distribution of copies of any artistic works permanently situated in places where it can be viewed by the public;
- 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 as the Minister may by order prescribe, where such use is in the public interest and is compatible with fair practice and (i) no profit is derived therefrom, and (ii) no admission is charged for the performance, showing or playing, if any to the public of the work thus used;
- the reproduction of any work by or under the direction or control of a broadcasting service where such reproduction or any copies thereof are intended exclusively for lawful broadcasting and are destroyed before the end of the period of six calendar months immediately following the making of the reproduction or such longer period as may be agreed between the broadcasting service and the owner of the relevant part of the copyright in the work.

Provided that any reproduction of a work made under this paragraph may, if it is of exceptional documentary character, be preserved in the archives of the broadcasting service which are hereby designated official archives for the purpose, but subject to the Act, shall not be used for broadcasting or for any other purpose without the consent of the owner of the relevant part of the copyright in the work:

- the performance, showing or playing of a work by a non-profit making club or institution where such performance, showing or playing is for charitable or educational purposes and is in a place where no admission fee is charged in respect of such performance, showing or playing;
- any use of a work for the purposes of any judicial proceedings, the proceedings of a royal commission, a legislative body, statutory or Governmental inquiry, or of any report of any such proceedings, or for the purpose of the giving of professional advice by a legal practitioner;
- the making of quotations from a published work if they are compatible with fair practice and their extent does not exceed that justified by the purpose, including quotations from newspaper articles and periodicals in the form of press summaries.

Provided that mention is made of the source and of the name of the author which appears on the work thus used:

- the reproduction by the press, the broadcasting or the showing to the public of articles published in newspapers or periodicals on current topics, if such reproduction, broadcasting or showing has not been

expressly reserved.

Provided that the source is clearly indicated:

- the reproduction by the press, the broadcasting or the performance, showing or playing to the public of lectures, addresses and other works of the same nature which are delivered in public if such use is for informatory purposes and has not been expressly reserved;
- the commercial rental of computer programs, where the program is not the essential object of the rental; and
- the making of a transient and incidental electronic copy of a work made available on a network if the making of such copy is required for the viewing, listening or utilization of the said work.

3.6 Are compulsory licences available? If so, under which circumstances?

Compulsory licences are not available under the Copyright Act 1987.

3.7 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 to enforce a copyright. Copyright is conferred upon a work once all the statutory requirements for eligibility and qualification are met.

Whilst a copyright deposit is not required, the ownership of copyright in Malaysia can now be recorded formally with the Copyright Office by way of a Copyright Voluntary Notification, or alternatively evinced by way of a Statutory Declaration under Section 42 of the Copyright Act 1987. These two options are explained further below:

Copyright notification

With the Copyright (Amendment) Act 2012 that came into force on 1 March 2012, the right holder may now voluntarily give notification to the Register of Copyright of its interest in the copyrighted works, with the payment of the prescribed fees. The purpose of the voluntary notification procedure is to afford copyright owners with more tangible protection, by notifying and depositing a copy of the work eligible for copyright with the Malaysian Intellectual Property Office. Copyright recordal serves as a legal formality to make a public record of the basic facts of a particular copyright.

A voluntary notification application shall contain the following:

- the name, address and nationality of the owner of the copyright;
- a statutory declaration that the applicant is the author of the work, or the owner of the copyright in the work, together with a true copy of the work protected;
- the category of the work;
- the title of the work;
- the name of the author and, if the author is dead, the date of the author's

- death, if known;
- in the case of a published work, the date and place of the first publication; and
- any other information as the Minister may determine from time to time (will be gazetted as requirements under the Act).

Section 42 of Copyright Act 1987

Section 42 of the Copyright Act essentially provides that an affidavit, certified extracts of the Register of Copyright or statutory declaration is to be made by the copyright owner or persons authorised by the copyright owner and such affidavit or statutory declaration shall be admissible in any proceedings as prima facie evidence of the facts contained therein. It circumvents the requirement of having to produce supporting documentary evidence, which may be antiquated and voluminous.

The prerequisites of a Statutory Declaration executed for this purpose are as follows:

- it must be made by or on behalf of the person claiming to be the copyright owner;
- it must state that copyright subsists in the work at the time specified;
- that he or the person named therein is the owner of the copyright; and
- a true copy of the work is annexed;

Unlike the voluntary notification wherein the applicant is required to await the registration certificate (which may take at least a year to be issued), the Section 42 Statutory Declaration becomes enforceable immediately as prima facie evidence in the eyes of the law. This is particularly useful in cases where raid actions are involved, as the copyright owner may take actions against any infringing party immediately as opposed to waiting for the registration certificate to be issued first.

Once the Statutory Declaration is signed, if it is challenged in court, it is then for the other side to provide positive evidence to displace the plaintiff's prima facie ownership, for example, by showing that some other person is the true owner of the claimed copyright.

3.8 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. Section 13B applies in instances where an artistic work has been exploited by an industrial process and marketed in Malaysia or elsewhere. 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).

3.9 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'.

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.

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

Not applicable.

3.11 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.

3.12 On what grounds can a copyright be declared invalid?

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.

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

In Malaysia, the Competition Act 2010 (Act 712) came into force on 1 January 2012 which prohibits vertical agreements, horizontal agreements and abuse of dominance. In particular, section 4 of the Competition Act provides that whether a horizontal or vertical agreement between enterprises is prohibited insofar as the agreement has the object or effect of significantly preventing, restricting or distorting competition in any market for goods or services. Abuse of dominance is also prohibited under the Competition Act as provided in section 10 where it states that an enterprise is prohibited from engaging, whether independently or collectively, in any conduct which amounts to an abuse of a dominant position in any market for goods or services. However, the Malaysian Competition Commission (MyCC) has not issued any specific guidelines that apply to intellectual property rights. Agreements in relation to intellectual property rights such as technology transfer agreements, IPR licensing agreements, franchise agreements and/or any other IPR agreement may fall within the scope of the application of competition law. According to MyCC's Guideline on Chapter 1 (Prohibition (Guidelines on Anti-Competitive Agreements)), MyCC is expected to issue a separate IPR-related guidelines to address issues such as the restrictions to the enforcement of intellectual property rights and issues dealing with franchise agreements.

3.14 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.

3.15 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. A copyright holder or exclusive licensee can separately apply for an interlocutory injunction.

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.

4.2 Can copyright collecting societies sue for copyright infringement to enforce their members' rights? If so, can copyright holders sue in parallel with the collecting societies or do collecting societies have an exclusive right to sue for certain types of infringement?

There are three major collecting societies that are recognised by the Government of Malaysia and authorized to collect royalties, ie the Music Authors' Copyright Protection Berhad (MACP); Public Performance Malaysia Sdn Bhd (PPM); and Malaysia Music Publishers Berhad (MMP).

- MACP is a copyright organisation whose main function is to license users of music and pay the songwriters and publishers for works that are broadcasted and publicly performed.
- PPM is authorised to represent the recording industry for royalties' collection and granting licences for the broadcasting of sound recording

and music videos belonging to the recording companies.

- MMP collects synchronisation fees (royalties paid for the use of music as part of another works, for instance, as background music in a film etc.)

According to section 9(c) of the Societies Act 1966, a society may sue or be sued in the name of such one of its members as shall be declared to the Registrar and registered by him as the public officer of the society for that purpose, and, if no such person is registered, it shall be competent for any person having a claim or demand against the society to sue the society in the name of any office-bearer of the society. 'Society', according to section 2 of the Societies Act 1966, includes any club, company, partnership, or association of seven or more persons whatever its nature or object, whether temporary or permanent, but does not include:

- any company registered under the provisions of any written law relating to companies for the time being in force in Malaysia;
- any company or association constituted under any written law;
- any trade union registered or required to be registered under the provisions of any written law relating to trade unions for the time being in force in Malaysia;
- any company, association or partnership formed for the sole purpose of carrying on any lawful business that has for its object the acquisition of gain by the company, association or partnership, or by the individual members thereof;
- any co-operative society, registered as such, under any written law;
- any organisation or association in respect of which there is for the time being in force a certificate (which may be granted, refused or cancelled at his discretion) by a person or authority appointed under the provisions of the written law for the time being in force relating to the registration of schools that such organisation or association forms part of the curriculum of a school; or
- any school, management committee of a school, parents' association or parent-teachers' association registered or exempted from registration under any law for the time being in force regulating schools.

If a copyright collecting society is an incorporated body under the Companies Act 1965, it can sue and be sued in its name as it is a separate legal entity. However, an incorporated body must be represented by a solicitor according to Order 5 rule 6(2) of the Rules of Court 2012.

Alternatively, the copyright owner may sue by a solicitor or in person provided that he is of the age of majority and mentally sound.

4.3 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 his 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.

4.4 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 can 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.

4.5 How is the liability of Internet Service Providers (ISPs) treated? Under which conditions may they be considered jointly liable with the copyright infringer?

Section 36 of the Act provides that the copyright in a work is infringed when a person other than the copyright owner or his licensee, does or authorises any of the following acts:

- (a) reproduces in any material form, performs, shows, plays or distributes to the public, communicates by cable or broadcast the whole work or a substantial part of it, either in its original or derivative form;
- (b) imports any article into Malaysia for the purposes of trade or financial gain, when the person knows or ought reasonably to know that the making of the article was done without the consent or licence of the copyright owner; or
- (c) circumvents or causes another to circumvent any effective technological measures that are employed by authors to restrict acts in relation to their works that they have not authorised.

For online materials, copyright infringement may involve the ISP if it had facilitated the infringement. An ISP may be held liable for direct, vicarious or contributory infringement.

If an ISP had exercised the reproduction rights of the copyright owner without consent, the ISP may be guilty of direct infringement. If an ISP had financially gained from the infringement by another party and had the right to control and supervise the infringement, the ISP may be guilty of vicarious infringement. Finally, if an ISP is found to have knowledge of the infringing activity and intentionally participated in it, the ISP may be guilty of contributory infringement.

Sections 43C to 43E of the Act, however, exempt a service provider from liability for copyright infringement by reason of the following activities:

- transmitting, routing or providing connections of an electronic copy of the work through its primary network or any transient storage of the electronic copy of the work in the course of the aforesaid activities (section 43C);
- making any electronic copy (system caching) of the work from an electronic copy of the work made available on an originating network, or through an automatic process, or in response to an action by a user of the service provider's primary network, or to facilitate efficient access to the work by a user (section 43D);
- storing an electronic copy of the work at the direction of a user of the service provider's primary network or linking a user to an online location on an originating network at which an electronic copy of the work is made available by the use of an information tool such as a hyperlink or directory, or an information location service such as a search engine (section 43E).

A service provider must satisfy the various conditions set out in sections 43C to 43E in order to obtain the benefit of the exemptions under the respective provisions.

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

Under the Rules of Court 2012, Order 15(6)(2) the courts are empowered, on terms as they think fit and either of its own motion or on application, order at any stage of proceedings the following:

- that any person improperly or unnecessarily made a party to cease to be a party;
- to add as a party any person between whom and any party to the cause or matter there may be exist a question or an issue arising out of or relating to or connected with any relief or remedy claimed in the cause or matter which, in the opinion of the Court would be just and convenient to determine as between him and that party as well as between the parties to the cause or matter.

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 his 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, certified extracts of the Register of Copyright 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 reasonable cause for suspecting 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, can 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 Are proceedings for fast removal of infringing content from the internet available?

Section 43H of the Act confers the right on the owner of a copyright which has been infringed to notify (in the manner determined by the Minister) a service provider to remove or disable access to the electronic copy on the service provider's network. A service provider who has received such a notification is required to remove or disable access to the infringing electronic copy on its network within 48 hours from the time of receipt of the notification. Otherwise, the service provider may be held liable for the infringing activity.

Section 43H also requires the owner of the copyright to compensate the service provider or any other person against any damages, loss or liability arising from the service provider's compliance with the notification.

5.5 Are 'graduated response'-type sanctions (such as bandwidth reduction or temporary suspension of internet access) available against infringers online? If so, which authorities (administrative bodies or courts) are competent? How long does the procedure typically last?
Graduated response-type sanctions are presently not available in Malaysia.

5.6 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.

5.7 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 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.

5.8 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.

5.9 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 decision to the Court of Appeal, the proceedings in the Court of Appeal are heard and disposed of 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 of 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 Rules of Court 2012, Order 40, the Court may at any time, on its own motion or on the application of any party, appoint an independent expert to inquire and report upon any question of fact or opinion not involving questions of law or of construction. Parties may apply to the Court for leave 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 court 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 Rules of Court, Order 24 sets out the mechanism for the discovery and inspection of documents at any stage of the proceedings when the court is of the opinion that the order is necessary for disposing fairly of the cause or matter.

Upon such an order the party so ordered will make and serve on any other party a list of the documents which are or have been in their possession, custody or power relating to any matter in question in the action on which the party relies or will rely and could adversely affect his or the other party's case or support the other party's case and if required by the order, make and file an affidavit verifying such a list which must also be served on the other party.

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 Court is empowered to make an order for such documents to be made available for inspection and the taking of copies, and shall when he serves the list on the other party, also serve on him a notice in Form 40 stating time within seven days after the service thereof at which the documents may be inspected at a place specified in the notice.

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

A copyright holder has to show on 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 9 to 12 months 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 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, an account of profits or statutory damages of not more than 25,000 ringgit (US\$ 81,000) for each work, but not more than 500,000 ringgit (USD 162,000) in the aggregate; or any other order as the court deems fit.'

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:

- whether there is a bona fide serious issue to be tried;
- 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
- the judge must have in the forefront of his mind that the remedy he is 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 his 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 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 Rules of Court 2012, the plaintiff has to show that there is urgency in obtaining the injunction and notification to the defendant could not be made in time.

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.

This *ex parte* injunction will automatically lapse at the expiry of 21 days and an *inter partes* hearing date has to be fixed within 14 days from the date the *ex parte* order is granted should there be a need to extend the injunction beyond this 21 day time frame.

8.3 Is it possible to file a protective writ, ie a letter setting out possible defences by a potential defendant, at the court at which an ex parte application may be filed against that defendant? If so, is the protective writ communicated to the plaintiff and what effect does it have on the preliminary injunction proceedings? For how long does the court take the protective writ into consideration? Can the protective writ be renewed?

There are no provisions for filing a protective writ in the Rules of Court 2012.

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? 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 that it has been infringed.

8.6 What is the format of preliminary injunction proceedings?

In Malaysia, the application for an interlocutory injunction must be made by way of a notice of application supported by an affidavit (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 the affirmative, what is the deadline?

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 dependent 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:

- If the matter is concluded subsequent to the execution of an undertaking to cease and desist: RM5000-RM7500 (\$1,667-\$2,500).
- Application for temporary injunction *ex parte*: RM20,000-RM30,000 (\$7,000-\$10,000).
- Application for temporary injunction *inter partes*: RM25,000-RM40,000 (\$8,100-\$13,000).
- Application for Anton Piller Order (in addition to (c)): RM30,000 (\$10,000);
- Execution of Anton Piller Order on first premises: RM15,000 (\$5,000) excluding supervising solicitors' fee.
- Execution of Anton Piller Order on second and subsequent premises RM3,000 (\$1,000) per premise.
- 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.
- 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;
- Application for Trade Description Order: RM15,000 (\$5,000).
- Lodging complaint, co-ordinating raids and seizures with Enforcement Office: RM10,000 (\$3,333).
- Attendance upon raid at each premise: RM3,500 (\$1,200).

10.2 Can attorneys' 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 <http://www.myip.gov.my>.

Malaysian Intellectual Property Association www.mipa.org.my.