



## Fair Dealing and Communication Rights

### CONTENTS:

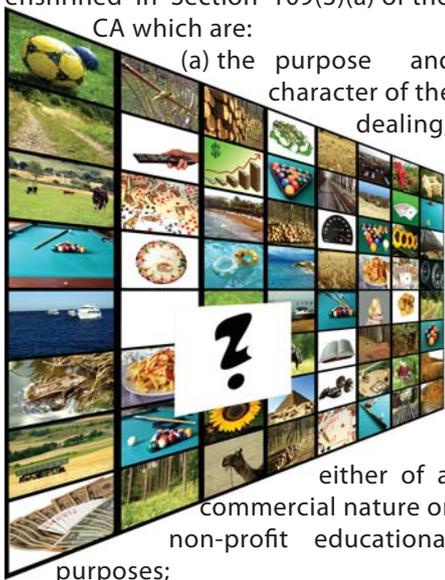
- Fair Dealing and Communication Rights
- Patents Come Alive !
- Groundless Threats Prohibition Ahead
- News at Henry Goh
  - » 2011 Standard Chartered KL Marathon
  - » INTA@SFO
  - » Enhance.Exploit.Enforce Seminar

**BY AMEEN KALANI** In the High Court case of RecordTV Pte Ltd v MediaCorp TV Singapore Pte Ltd and others, the plaintiff RecordTV provided an Internet-based digital video recording (iDVR) service accessible by its registered users in Singapore to record free-to-air MediaCorp television broadcasts and films by data streaming for private and domestic use.

The defendant issued cease and desist letters pertaining to the continued operation of RecordTV. The plaintiff commenced an action for groundless threat of copyright infringement against the defendant who in turn counterclaimed for copyright infringement of its copyrighted broadcasts and films. RecordTV sought to rely on the fair dealing defence under the Singapore Copyright Act (CA).

To determine if RecordTV could qualify for that defence, the High Court examined five factors enshrined in Section 109(3)(a) of the CA which are:

(a) the purpose and character of the dealing,



either of a commercial nature or non-profit educational purposes;

(b) the nature of the AV (audio-visual) item;

(c) the amount and substantiality of the part copied taken in relation to the whole AV item;

(d) the effect of the dealing upon the potential market for, or value of, the AV item; and

(e) the possibility of obtaining the AV item within a reasonable time at an ordinary commercial price.

Under factor (a), the RecordTV's services appeared to be more of commercial exploitation than public service. For factor (b), the item was free-to-air broadcasts. As for factor (c), entire programmes were recordable via RecordTV's website without qualifying alterations. Under factor (d), there was no realistic market for recently screened free-to-air broadcasts of the plaintiff. For factor (e), the concept was found of "ordinary commercial price" was unworkable. With these considerations, the High Court held that RecordTV would not qualify for the fair dealing defence. On Appeal, it was held that RecordTV was not liable to MediaCorp for infringing the latter's exclusive right to copy and/or communicate to the public the MediaCorp shows and also not liable for authorising the registered users to do "any act comprised in [MediaCorp's] copyright". Thus, the Court of Appeal did not determine whether RecordTV could rely on any of the fair dealing provisions under Section 109 of the CA.

The High Court also examined MediaCorp's communication right to the copyrighted work (films and broadcasts) as stipulated in Sections 83(c) and 84(1)(d) respectively of the

CA. In deciding the issue of this right, the Court noted that the following factors have to be shown: (i) that the plaintiff's act amounted to communication; (ii) that such communication was made to the public; and (iii) that the plaintiff and not the end-user was responsible for the communication.

The Court held that there was clear communication under factor (i) by electronic means. For factor (ii), it did not matter that the iDVR service was available only to registered end-users when any member of the public with Internet connection may register for free. On factor (iii), the Court held that the subsequent transmission of recorded content would be entirely within the plaintiff's control. Thus, RecordTV was liable under both Sections of the CA for communicating MediaCorp's broadcasts and films to the public. However, on appeal, it was held there was no



communication to the public under Sections 83 and 84 of the CA.

# Patents Come Alive !

**BY DAVE A WYATT** **T**he Malaysian Patents Act 1983 entered into force on 01 October 1986 and will soon reach the age of 25. The Act marked the introduction of Malaysia's independent patent law that replaced the earlier system of re-registering UK patents. The country has progressed remarkably over this 25-year period and the intellectual property (IP) scene is no exception.

Since the birth of the Malaysian Patents Act, over 110,000 patent applications have been filed and over 43,000 patents have been granted to date. The Act was amended significantly in 1993, 2001 and 2006 to modernize and keep the law in line with changing international standards and obligations. Further significant amendments to the Act are now on the legislator's drawing board.

The growth in the number of patents granted and a greater awareness of the importance of IP in Malaysia have led to an increase in the number of patent-related court cases in recent years. The setting up of IP Courts with specialist judges in Malaysia in 2007 has unquestionably also been a significant factor. For years, IP litigation was dominated by trade mark disputes, but now patent cases are cropping up more often. The fact that some Malaysian patents have become the subject of litigation just goes to show that the patents are serving their intended function of providing economic benefits to their owners as valuable intangible assets.

Two recent decisions of the Kuala Lumpur IP High Court have upheld the validity of Malaysian patents that were under attack, one locally-owned and one foreign-owned.

In *SKB Shutters Manufacturing Sdn Bhd v Seng Kong Shutter Industries Sdn Bhd & Anor* ([2011] 2 MLJ 781), the plaintiff (SKB) sued the defendant (Seng Kong) for infringement of SKB's patent for a

panel that can be interconnected with other panels to form a rolling door curtain of the kind used to cover and protect a shopfront. The defendant did not deny infringement but instead counterclaimed for the patent to be revoked on the ground of lack of novelty and inventive step. The attack on validity was rejected. The Judge favoured the testimony of SKB's inventor, who explained the background to the invention and the problems he had addressed in the course of devising the invention. SKB's inventor was considered to have the relevant common general knowledge of those in the roller shutter industry. The patent was thus upheld as valid, and as a result the infringement pleading succeeded.

In *Ranbaxy (Malaysia) Sdn Bhd v E.I. du Pont de Nemours and Company* (not yet reported), the plaintiff (Ranbaxy) sought to invalidate two claims of the defendant's (Du Pont) Malaysian patent that covered potassium losartan in crystalline form, which can be used for treating hypertension and congestive heart failure. Ranbaxy also sought a declaration that it did not infringe those claims. The plaintiff had obtained regulatory approval in

Malaysia to market a pharmaceutical containing potassium losartan. The defendant counterclaimed for infringement of one of the claims in dispute.

Among a myriad of issues raised by Ranbaxy was an allegation that the patent specification was insufficient for failing to teach that the crystalline form of potassium losartan had been obtained. On this point, the Judge accepted the evidence put forward by two expert witnesses on behalf of the defendant. Both experts had conducted several experiments following the instructions in the patent for making one of the described examples. In each case, they had obtained crystalline potassium losartan. Other attacks on validity were also dismissed. The plaintiff was found to have infringed the patent and an injunction was ordered.

After 25 years, patents have truly come alive in Malaysia. No longer merely prestigious certificates to hang on the wall, patents are now part of the economic currency of the country as we adapt to an age in which knowledge is king. We can certainly expect further developments in the local patent case law in the years to come. 🎂



# Groundless Threats Prohibition Ahead

**BY LIM ENG LEONG** Even with certificate in hand, the proprietor of a registered intellectual property right must not rest on his laurels and must remain vigilant to ensure his monopolistic rights are not misappropriated. IP owners who are not fully aware of their rights are sometimes hesitant to enforce them against infringers. On the other hand, there are owners who are often trigger-happy going after IP culprits on the slightest suspicion of infringement.

intended for labelling or packaging; (b) the importation of goods or packaging on which the mark has been applied; (c) and the supply of services under the mark. To keep it open-ended, any other grounds are deemed unacceptable under the Act and any person (whether or not he/she is the person to whom the threats are made) aggrieved by such threats may commence proceedings to seek relief.

Amongst the proposed reliefs is a court declaration stating that the threats made were unjustifiable, an injunction against the continuance of

professional capacity and in execution of their client's instructions.

It is the writer's opinion that the above provisions may be further enhanced if they adopt the same stance as the Patent provisions. Section 61C of the new Patents Act is broader in scope but kinder to IP owners like its UK version. Without going into the statutory intricacies, it is suffice to say that section 61C provides elaboration on the person threatening, the person aggrieved and the modes of threat.

The claimant in



To curb this growing dangerous trend, proposed amendments to the Malaysian Trade Marks Act 2011 (section 56) and Patents Act 2011 (section 61C) strive to ensure that victims of groundless threats of infringement are provided with the appropriate remedies. These intended Sections were adopted from the wordings contained in section 21 of the United Kingdom Trade Marks Act 1994 and section 70 of the Patents Act 1977 respectively. They should therefore be appropriately adapted based on local IP practices before being made sound law.

For trade marks, there are three scenarios where threats made are deemed acceptable: (a) applying a mark to goods or to material used or

such threats, and/or damages in respect of any loss the aggrieved person has sustained by the threats. The entitlement to relief is as of right for the plaintiff unless the defendant discharges the burden by proving the acts (to which proceedings were threatened) constitute or if done, would constitute an infringement of his registered mark. Nonetheless, the plaintiff is still entitled to relief if he/she shows that the trade mark registration is invalid or liable to be revoked.

The objective of section 56 is not to curtail genuine and reasonable warnings of infringement. It contains a qualification that mere notification, that a mark is registered or that an application for registration has been made, does not constitute a threat of proceedings. In addition, advocates and solicitors will not be held liable for making such threats in their

proceedings for groundless threats of patent infringement has a higher burden of proof. There are also a number of circumstances where proceedings cannot be brought or are considered as non-threatening actions. The section also addresses threats made during the pendency of a patent application.

In summary, it is incumbent upon the IP practitioners to ensure their clients do not act rashly. By all means, their rights should be enforced against actual infringers but commencing frivolous suits is a major risk. It is even riskier to send out cease and desist letters to various suspects without careful investigation as they can backfire in the form of defamation suits – *Soh Huang Siah v Datuk Ooi Han Eng & D'Touch Promotion Sdn Bhd* [2011] or as proceedings brought under these new provisions when they become enforceable. 

## 2011 Standard Chartered KL Marathon

It was a highly anticipated event for 20 of Henry Goh's staff when the Standard Chartered KL Marathon finally came round on 26th June 2011. Their registration was sponsored by the company to encourage a healthy lifestyle and promote closer bonding amongst colleagues. Clad in the distinctive green running attire, they gathered early morning at Dataran Merdeka, the heart of KL's heritage district, all geared up to participate in the 5 km Fun Run.

It was a run they thoroughly enjoyed from the moment the shotgun sounded until crossing the finished line. They had a good work out coupled with great camaraderie. The runners made their way through the designated route peppered by several of KL's famous landmarks. Even though it was not the distance of a marathon, there was still a sense of pride as each of HG's runners completed it within the set qualifying time.

The morning ended with a well-deserved brunch and a promise to return for next year's event. 🏃‍♂️



## INTA@SFO

San Francisco warmly welcomed over 9,000 trade mark owners and practitioners from around the world with open arms for INTA's 133rd Annual General Meeting held between 14 - 18 May 2011. Despite the city's chilly climate, it was a fascinating place with its iconic tourist attractions, bustling downtown area and plethora of food available. Henry Goh was represented by their Senior Legal Counsel, Ms. Azlina Aisyah Khalid and Patent Agent, Mr. Andrew Siew. They had a full schedule and made the most of it by meeting new clientele and re-establishing ties with the current ones. Time flew as usual and within the week they bade goodbye to San Francisco and brought back the cherished memories created there. 🌉



## Enhance.Exploit.Enforce Seminar

As part of its ongoing IP Awareness Project, Henry Goh conducted a half-day seminar entitled "Enhance · Exploit · Enforce – Addressing Your Business IP Concerns" on 21 July 2011 in Melia Hotel KL. The seminar was attended by members of the local business scene as well as representatives from research institutes and universities.

At present, Malaysian IP laws are facing robust reforms. In the face of these exciting developments and the ever-changing global business landscape, it is important for local IP owners to expand their focus beyond mere protection of IP assets and to enhance their IP protection through more effective exploitation and enforcement strategies.

In their presentation entitled "Enhancing Your Scope of Protection", Ms Oon Yen Yen and Mr Lim Eng Leong urged the attendees to "Stop · Think · File" in favour of a realistic scope rather than a broad scope. Mr Dave Wyatt then took the attendees through the "Dos and Don'ts of IP Exploitation" with particular emphasis on the importance of product marking and policing of IP licensees. Ms Azlina Aisyah Khalid highlighted the importance of exercising vigilance as well as striking a wise balance in the enforcement of IP rights in her presentation.

The presentations were well received by the participants and the topics provided for an interactive Q&A session as well as fruitful discussions during the networking lunch that followed. 🍽️



### MALAYSIA

Henry Goh & Co Sdn Bhd (332744-A)  
House of Henry Goh, 217, Jalan Imbi,  
55100 Kuala Lumpur, MALAYSIA.

☎️ + (603) 2118 8688  
📠 + (603) 2118 8777  
✉️ hgoh\_kl@henrygoh.com

### SINGAPORE

Henry Goh (S) Pte Ltd (199203221-E)  
20, Science Park Road, #03-34/35, TeleTech Park,  
Singapore Science Park II, SINGAPORE 117674.

☎️ + (65) 6333 9525/6  
📠 + (65) 6333 9527  
✉️ henryspl@singnet.com.sg

© 2011 Henry Goh & Co Sdn Bhd. All rights reserved. Information herein is based on reliable data, published in good faith to give an overview of events and issues in intellectual property. Interested parties are advised to contact the company for further details prior to relying on the contents of this newsletter. Views expressed by the writers herein are their own and do not necessarily reflect those of Henry Goh. Other trademarks and images are the registered property of their respective proprietors and used here merely for illustrative purposes.