Malaysia

Courts tackle key issues: jurisdiction and broadcasting rights

This chapter explores two key decisions in Malaysian IP law:

- *Yong Teng Hing B/S Hong Kong Trading Co v Walton International Ltd*, a decision handed down by the Federal Court, the highest Malaysian appellate court, on jurisdiction; and
- *MediaCorp News Pte Ltd v MediaBanc Sdn Bhd* ([2010] 6 MLJ 657), a rare High Court decision on the issue of copyright in broadcasting.

In *Walton International* it was held for the first time that the Registrar of Trademarks is not akin to a subordinate court and therefore its decisions do not carry the status of a court decision. Thus, when the High Court hears an appeal against a decision of the Registrar of Trademarks, the court is exercising its original rather than its appellate jurisdiction. This decision is significant for the development of trademark law in Malaysia.

In *MediaCorp News* the High Court held that foreign broadcasts received in Malaysia are protected under the Copyright Act 1987, but are not caught by the Communications and Multimedia Act 1998. This is one of few broadcasting cases to have considered both copyright and communications law issues.

Walton International Ltd

Facts

Walton, the owner of the mark GIORDANO, filed an opposition against Yong's application to register GIORDANO in respect of optical goods and sunglasses in Class 9. The application was dismissed by the Registrar of Trademarks. Walton filed an appeal to the High Court, which was dismissed on the grounds that, among other things, Yong was the first user of the GIORDANO mark in Class 9. Walton had no reputation or goodwill in the mark in connection with Class 9 goods as the goods sold by Walton and bearing the GIORDANO mark (mainly articles of clothing, leather goods and fashion accessories) were not goods of the same description as optical goods and sunglasses. Walton later filed an appeal with the Court of Appeal, which overturned the concurrent findings of the High Court and the registrar. The applicant applied for leave to appeal to the Federal Court, but Walton argued that the application should be dismissed without considering the merits, since a Court of Appeal decision hearing an appeal from a decision of a High Court exercising appellate jurisdiction is non-appealable to the Federal Court. Thus, the question before the Federal Court was whether the High Court, in hearing an appeal from the decision of the Registrar of Trademarks, was exercising its original jurisdiction or its appellate jurisdiction.

Preliminary objection

In its preliminary objection, Walton submitted that the decision of the registrar was akin to a decision of an inferior or subordinate court, and therefore the High Court was exercising its appellate jurisdiction in deciding the matter. Therefore, the final appeal should rest with the Court of Appeal under Section 96(a) of the Court of Judicature Act 1964. In response, the applicant contended that the proceeding before the High Court was an exercise of its original jurisdiction as the registrar was not an inferior or subordinate court.

Decision

Federal Court jurisdiction

The Federal Court dismissed Walton's preliminary objection on four grounds:

- The appellate jurisdiction of the High Court applies in respect of decisions of subordinate courts.
- The Registrar of Trademarks is not a subordinate court under any statutory provision, and as such a decision of the registrar is not a decision of a subordinate court.
- When hearing an appeal against a decision of the registrar, the High Court is exercising its original

jurisdiction.

- The word 'appeal' in a statute does not necessarily mean an appeal as ordinarily understood – it depends on the context in which it is used.

Section 96(a) of the Court of Judicature Act provides that an appeal shall lie from the Court of Appeal to the Federal Court with the leave of the Federal Court from any judgment or order of the Court of Appeal on any matter decided by the High Court in the exercise of its original jurisdiction. In other words, where the High Court exercises its appellate jurisdiction (ie, appeals arising from the subordinate courts), the matter ends at the Court of Appeal and there can be no appeal to the Federal Court.

Status of Registrar of Trademarks

The Federal Court held that the registrar was not a subordinate court based on statutory and case law. One example cited by the Federal Court is the express establishment of the Sessions Court, the Magistrates Court and the Penghulu Court by the Subordinate Courts Act 1948. The Registrar of Trademarks is not a subordinate court under this act. Under common law principles stemming from judicial decisions, the general rule is that only the Sessions Courts and the Magistrates Courts constitute subordinate or inferior courts.

High Court's jurisdiction

The Federal Court held that when the High Court hears an appeal from the decision of the Registrar of Trademarks, it is exercising its original jurisdiction. Since the registrar does not fall within the definition of a 'subordinate court', the High Court cannot be said to be exercising appellate jurisdiction when hearing an appeal from a decision of the registrar. Another important point noted by the Federal Court is that under Section 67 of the Trademarks Act 1976, the High Court has and exercises the same discretionary powers as the registrar in any appeal from a decision of the registrar. This further supports the proposition that the High Court exercises original jurisdiction when hearing appeals from the registrar. It is analogous to a High Court judge hearing an appeal from the decision of a senior assistant registrar attached to the High Court.

Thus, the High Court, in hearing appeals from the registrar, does not exercise its appellate jurisdiction, but instead exercises its original jurisdiction in its supervisory capacity and in tandem with Section 67 of the Trademarks Act.

'Appeal'

The Federal Court also referred to judicial pronouncements of the Australian courts on the interpretation of the word 'appeal' under procedural rules. In *Committee of Direction of Fruit Marketing v. Australian Postal Commission* ((1979) 25 ALR 221) the Federal Court of Australia held that mere usage of the word 'appeal' does not mean that it must be an appeal process as ordinarily understood. The context of its usage and the overall scheme of the particular statute must be taken into account. In *Poletti v Deputy Commissioner of Taxation* ((1994) 124 ALR 373) the Federal Court of Australia made it clear that appeals from federal administrative tribunals, although stated to be 'appeals', are not appeals in the strict sense of the word.

For the reasons mentioned above, the preliminary objection raised by Walton was dismissed.

MediaCorp News

Facts

MediaCorp News Pte Ltd is a Singaporean broadcasting and media group which produces and delivers information and news to the public through television, radio, newspapers, magazines, films and out-of-home media. MediaBanc Sdn Bhd is a group of companies incorporated in Malaysia that functions as a monitoring agency which collects, compiles and catalogues, among others, television and radio news programmes and newspaper and magazine advertising in a database. MediaBanc then sells the information (eg, selected footage or media clips taped off air from various television stations) to third parties which require information on what is said about them, their competitors or their products in the mass media. The provision of these media programmes gave rise to the dispute. MediaCorp claimed that the recording, reproduction or sale of media programmes by MediaBanc without its permission amounted to copyright infringement. It claimed that it suffered loss because it also sold video clips and sound clips to generate income. However, MediaBanc sold the clippings at a much lower rate, as MediaCorp had to factor production costs into its prices, while MediaBanc had no such costs. MediaCorp further stated that confusion would arise among the general public, resulting in them placing orders for video clips with MediaBanc instead of MediaCorp. MediaBanc denied copyright infringement and maintained that even if there was copyright infringement, its restricted use of the data as a monitoring agency amounted to fair use within the purview of Section 13 of the Copyright Act 1987.

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Copyright ownership

On the issue of whether MediaCorp had established copyright ownership in the news programmes, the court held that the news programmes were works eligible for copyright and, by virtue of Section 59A of the Act, the broadcasts from Singapore enjoyed protection under the Copyright Act. Section 59A provides that the minister may make regulations applying any provision of the act to a specified country, including broadcasts transmitted from that specified country, as it applies to broadcasts transmitted from Malaysia.

MediaCorp had affirmed a statutory declaration claiming to be the copyright owner of the television news programmes in accordance with Section 42 of the act. The court stated that the declaration amounted to *prima facie* proof of copyright ownership in the television news programmes, and the onus to rebut this shifted to MediaBanc.

Although relatively rare, in this case the court allowed MediaCorp to reopen its case after submissions had commenced at the close of trial. MediaBanc submitted that MediaCorp had failed to adduce evidence on copyright ownership of the television news programmes because MediaCorp had failed to produce samples of the original works. In response, MediaCorp submitted that the copyright ownership vested in MediaCorp was an agreed fact.

However, MediaCorp applied to reopen its case to adduce evidence proving that copyright ownership subsisted in them. The court allowed MediaCorp's application to reopen the case in the interests of justice so as to avoid the claim from being adjudicated without a full consideration of the issues raised in the course of the matter.

Having succeeded in reopening its case, MediaCorp tendered a statutory declaration enclosing the original works for the broadcast of MediaCorp's television news programmes to enable the court to compare the original works and the infringing copies.

MediaBanc challenged the statutory declaration on the basis that it contained typographical errors, but the court declared it to be still valid as the declarant had previously set out the full picture on the subsistence and devolution of the copyright.

Contravention of communications and multimedia law?

The court also considered whether MediaCorp had contravened the Communications and Multimedia Act 1998 by not possessing the relevant licence to broadcast in Malaysia, as contended by MediaBanc. It held that the act was inapplicable to MediaCorp as the broadcasts came from Singapore and were involuntarily caught in parts in Malaysia. However, MediaCorp's television news programmes still fell within the purview of Section 10 of the Copyright Act and were eligible for copyright.

The court reasoned that even if MediaCorp had contravened the Communications and Multimedia Act, the act had not deprived MediaCorp of its entitlement to broadcast copyright protection.

In concluding that MediaBanc had infringed MediaCorp's copyright, the court found that MediaBanc's acts of recording, compiling, archiving, compressing, editing, reproducing and distributing, whether for sale or otherwise, amounted to a substantial reproduction of MediaCorp's television programmes.

MediaBanc's defence

MediaBanc had submitted that its relatively restricted use of such data as a monitoring agency amounted to fair use within the purview of Section 13 of the Copyright Act. MediaCorp argued that MediaBanc could not rely on the defence of fair use or fair dealing because it had recorded entire news programmes off air which, even if permitted, would still be unlawful since the act of recording was itself an infringement of MediaCorp's rights.

MediaBanc relied on the Supreme Court of Canada's decision in *Canada Law Book Inc v Law Society of Upper Canada* ([2004] SCC 13) in support of its contention that

it had not infringed MediaCorp's copyright because it had provided a copy of media excerpts to enable its client to conduct internal research. The court referred to *Television New Zealand v Newsmonitor Services Ltd* (27 IPR 441), a decision of the High Court of New Zealand and rejected MediaBanc's argument that it was involved with
non-profit research as it did not actually charge clients for media excerpts, but only for the compilation, editing and delivery services. In concluding that MediaBanc's act did not fall within the exceptions of copyright broadcast control under the Copyright Act, the High Court took into account the totality of the defendant's operations.

Decision

The court granted MediaCorp an injunction to restrain MediaBanc from reproducing or copying the television news programmes aired by and belonging to MediaCorp for the purposes of selling or distributing in the course of business. MediaBanc was also restrained from copying, recording, reproducing, offering for sale, distributing, marketing, advertising, selling and/or dealing with the television news programmes. The court made an order for the removal of the listing of MediaCorp's television programmes from MediaBanc's library, both online and in the office, and for the delivery-up of the infringing copies of the materials for destruction.

Michael Soo
Senior partner
michaelsoo@shooklin.com.my
Shook Lin & Bok
Malaysia

Michael Soo is head of the IP and IT department. He received his LLB (hons) from the University of London and is a barrister at law of Gray's Inn. Mr Soo is an advocate and solicitor of the High Court of Malaya and the Supreme Court of Singapore. He is a registered patent, trademark and industrial designs agent in Malaysia, and practises in all areas of IP law.

Lin Li Lee
Partner
linli@shooklin.com.my
Shook Lin & Bok
Malaysia

Lin Li Lee practises exclusively IP and IT law. She has previously handled civil litigation cases and corporate matters. Ms Lee graduated from the University of Leeds with an LLB (hons). She was admitted to the Malaysian Bar in 2001 and thereafter commenced her career as an advocate and solicitor with Shook Lin & Bok.

Bee Yi Lim
Associate
limbeeyi@shooklin.com.my
Shook Lin & Bok
Malaysia

Bee Yi Lim read law and received her LLB (hons) at the University of the West of England, Bristol. She is a barrister at law of the Honourable Society of the Inner Temple and was admitted as an advocate and solicitor of the Malaysian Bar in 2008. She practises IP law.