



ICLG

The International Comparative Legal Guide to:

Copyright 2016

2nd Edition

A practical cross-border insight into copyright law

Published by Global Legal Group, in association with Bird & Bird LLP

With contributions from:

Allende & Brea	Gün + Partners
Atsumi & Sakai	HOYNG ROKH MONEGIER
Bae, Kim & Lee LLC	Legaltree
Bakouchi & Habachi – HB Law Firm LLP	Lifang & Partners
Bereskin & Parr LLP	MinterEllison
Borenus Attorneys	Pereira da Cruz e Associados, R.L.
Bryn Aarflot AS	Schwärzler Attorneys at Law
Camilleri Preziosi	Sheppard Mullin Richter & Hampton LLP
Deep & Far Attorneys-at-Law	Sirius Legal
Dumont Bergman Bider & Co., S.C.	SyCip Salazar Hernandez & Gatmaitan
Enrich Advocats	Tay & Partners
Gorodissky & Partners (Ukraine)	Uskov & Partners
GRATA Law Firm	Weisselberg Avocat
GROS & WALTENSPÜHL ATTORNEYS AT LAW	

GLG

Global Legal Group

Contributing Editor

Phil Sherrell,
Bird & Bird LLP

**Head of Business
Development**
Dror Levy

Sales Director
Florjan Osmani

Account Directors
Oliver Smith, Rory Smith

Senior Account Manager
Maria Lopez

Sales Support Manager
Toni Hayward

Senior Editor
Suzie Levy

Group Consulting Editor
Alan Falach

Group Publisher
Richard Firth

Published by
Global Legal Group Ltd.
59 Tanner Street
London SE1 3PL, UK
Tel: +44 20 7367 0720
Fax: +44 20 7407 5255
Email: info@glgroup.co.uk
URL: www.glgroup.co.uk

GLG Cover Design
F&F Studio Design

GLG Cover Image Source
iStockphoto

Printed by
Ashford Colour Press Ltd
October 2015

Copyright © 2015
Global Legal Group Ltd.
All rights reserved
No photocopying

ISBN 978-1-910083-64-2
ISSN 2056-4333

Strategic Partners



General Chapter:

1	The Changing Role of Digital Copyright – Will Smith & Phil Sherrell, Bird & Bird LLP	1
---	---	---

Country Question and Answer Chapters:

2	Argentina	Allende & Brea: Pablo A. Palazzi & Marco Rizzo Jurado	6
3	Australia	MinterEllison: John Fairbairn & Emily Hawcroft	11
4	Belgium	Sirius Legal: Bart Van den Brande & Bart Van Besien	17
5	Canada	Bereskin & Parr LLP: Jill Jarvis-Tonus	22
6	China	Lifang & Partners: Guanbin Xie & Luping Che	28
7	Finland	Borenius Attorneys: Samuli Simojoki & Johanna Rantanen	33
8	France	Weisselberg Avocat: Elise Weisselberg	39
9	Germany	HOYNG ROKH MONEGIER: Thomas H. Schmitz & Mathis Breuer	44
10	Japan	Atsumi & Sakai: Chie Kasahara & Reina Kanemura	49
11	Kazakhstan	GRATA Law Firm: Aizhan Mukhammad	55
12	Korea	Bae, Kim & Lee LLC: Taeuk Kang	61
13	Latvia	Borenius Attorneys: Linda Birina & Liga Fjodorova	66
14	Liechtenstein	Schwärzler Attorneys at Law: Dr. Alexander Amann	72
15	Malaysia	Tay & Partners: Lee Lin Li	77
16	Malta	Camilleri Preziosi: Henri Mizzi & Sharon Xuereb	85
17	Mexico	Dumont Bergman Bider & Co., S.C.: Laura Collada & Jonathan Rangel	90
18	Morocco	Bakouchi & Habachi – HB Law Firm LLP: Salima Bakouchi & Houda Habachi	96
19	Netherlands	Legaltree: Olav Schmutzer & Marjolein Driessen	101
20	Norway	Bryn Aarflot AS: Cecilie Berglund & Anne Wildeng	107
21	Philippines	SyCip Salazar Hernandez & Gatmaitan: Enrique T. Manuel & Vida M. Panganiban-Alindogan	114
22	Portugal	Pereira da Cruz e Associados, R.L.: João Sardinha & Nuno Cruz	121
23	Russia	Uskov & Partners: Vadim Uskov	127
24	Spain	Enrich Advocats: Enric Enrich	134
25	Switzerland	GROS & WALTENSPÜHL ATTORNEYS AT LAW: Pascal Fehlbaum	139
26	Taiwan	Deep & Far Attorneys-at-Law: Yu-Li Tsai & Lu-Fa Tsai	144
27	Turkey	Gün + Partners: Uğur Aktekin & Hande Hançar	150
28	Ukraine	Gorodissky & Partners (Ukraine): Nina Moshynska & Oleg Zhukhevych	156
29	United Kingdom	Bird & Bird LLP: Rebecca O’Kelly-Gillard & Phil Sherrell	162
30	USA	Sheppard Mullin Richter & Hampton LLP: Edwin Komen & Theodore C. Max	168

Further copies of this book and others in the series can be ordered from the publisher. Please call +44 20 7367 0720

Disclaimer

This publication is for general information purposes only. It does not purport to provide comprehensive full legal or other advice. Global Legal Group Ltd. and the contributors accept no responsibility for losses that may arise from reliance upon information contained in this publication. This publication is intended to give an indication of legal issues upon which you may need advice. Full legal advice should be taken from a qualified professional when dealing with specific situations.

Malaysia

Tay & Partners

Lin Li Lee



1 Copyright Subsistence

1.1 What are the requirements for copyright to subsist in a work?

In accordance with the Copyright Act 1987 (“CA 1987”), copyright subsists in a work if it:

- (a) is original;
- (b) is written down, recorded or reduced to material form;
- (c) belongs to one of the categories of the following protected works:
 - (i) a literary, musical or artistic work or film or sound recording first published in Malaysia;
 - (ii) a work of architecture erected in Malaysia or any artistic work incorporated in a building located in Malaysia; or
 - (iii) a broadcast transmitted from Malaysia; and
- (d) satisfies one of the following qualifications for copyright protection:
 - (i) the author of a work or in the case of joint ownership, one of the authors is a ‘qualified person’;
 - (ii) the work is first published in Malaysia; or
 - (iii) the work is made in Malaysia.

Qualified Person

A ‘qualified person’ in relation to an individual means a person who is a citizen of, or a permanent resident in Malaysia, and in relation to a body corporate means a body corporate established in Malaysia and constituted or vested with legal personality under the laws of Malaysia. The definition of ‘qualified person’ in relation to literary, musical, artistic works and films includes a citizen of, or a permanent resident in, Malaysia, or body corporate incorporated in Malaysia or a member state of the Berne Convention for the Protection of Literary and Artistic Works. In relation to sound recordings, and broadcasts, a ‘qualified person’ includes a citizen or permanent resident of, or a body corporate incorporated in, Malaysia or a member state of the World Trade Organisation.

First Publication in Malaysia

Literary, musical and artistic works or films first published elsewhere but subsequently published in Malaysia within 30 days is deemed a ‘first publication’ in Malaysia. All literary, musical or artistic works and films first published in any Berne Union country are also entitled to copyright protection in Malaysia. A work first published in a non-Berne member state will enjoy copyright protection if it is published in Malaysia or any Berne Union country within 30 days of its first publication.

In relation to sound recordings and broadcasts, the first publication rule applies if the work is first published in any member state of the World Trade Organisation.

With respect to published editions of literary, musical or artistic works first published in the United Kingdom, the first publication rule applies if the work is first published in the United Kingdom.

Work Made in Malaysia

In order to determine when a work is made in Malaysia, the courts will take into account the time of completion of the work.

1.2 On the presumption that copyright can arise in literary, artistic and musical works, are there any other works in which copyright can subsist and are there any works which are excluded from copyright protection?

Other works eligible for copyright protection are broadcasts, works of architecture, artistic works incorporated in a building, derivative works, films, sound recordings, live performances and published editions of literary, artistic or musical work.

Copyright does not subsist in any design which is registered under the following laws relating to industrial design:

- United Kingdom Designs (Protection) Act 1949;
- United Kingdom Designs (Protection) Ordinance of Sabah; and
- Designs (United Kingdom) Ordinance of Sarawak.

The CA 1987 does not exclude works which contain elements that are inflammatory, seditious and immoral from copyright protection, although they may affect the type of remedy available. Works are protected irrespective of their quality and the purpose for which they were created.

1.3 Is there a system for registration of copyright and if so what is the effect of registration?

There is no system for registration of copyright. With the coming into force of the Copyright (Voluntary Notification) Regulations 2012 on 21 June 2012, a copyright owner can now notify and deposit a work eligible for copyright protection with the Intellectual Property Office of Malaysia (MYIPO). By filing a voluntary notification, the certified extract from the Register of Copyright is admissible in any court proceedings and will be *prima facie* evidence of the particulars entered therein.

1.4 What is the duration of copyright protection? Does this vary depending on the type of work?

The duration of copyright protection varies according to the category of work as tabled below:

Categories of Work	Duration of Copyright
Literary, musical and artistic works	Copyright subsists during the life of the author and 50 years after his death. In the event of a joint authorship, the 50-year period starts from the date of the death of the surviving author.
Derivative works of literary, musical and artistic works	Copyright in each individual contributor's derivative work subsists during the life of the contributor and 50 years after his death. Copyright in the whole collection of derivative work subsists during the life of the person who selects and arranges the contents and 50 years after his death.
Unpublished literary, musical and artistic works	Copyright subsists until the expiry of 50 years from the beginning of the calendar year following the year in which the work was first published. Perpetual copyright subsists if the work remains unpublished.
Literary, musical and artistic works published anonymously or under a pseudonym	Copyright subsists until the expiry of a period of 50 years computed from the beginning of the calendar year following the year in which the work was published or first made available to the public, whichever is the latest.
Published editions, sound recordings, broadcasts, films, works of Government and performers' right	Copyright subsists until the expiry of a period of 50 years computed from the beginning of the calendar year following the year in which the work was first published.
Works emanating from foreign countries	Foreign work that is first published or made in Malaysia is entitled to copyright protection in Malaysia. The foreign work is protected in Malaysia for the term provided by the CA 1987.

1.5 Is there any overlap between copyright and other intellectual property rights such as design rights and database rights?

There is an overlap between trade mark and copyright. A logo, device, symbol, word mark, combination of words and other works, notably artistic and literary works that are used as a trade mark, are entitled to copyright protection provided they satisfy the requirements outlined under question 1.1.

There is also an overlap between industrial designs and copyright. Three-dimensional articles created out of design drawings are entitled to copyright protection prior to the coming into force of the Copyright (Amendment) Act 1996 on 1 September 1999 which introduced sections 7(5), 7(6), 13A, 13B and 13C into the CA 1987. The Copyright (Amendment) Act 2012 which came into effect on 1 March 2012 has subsequently repealed sections 7(6) and 13C and amended section 13B of the CA 1987.

Section 7(5) provides that no copyright would subsist in a design which is registered under any written law relating to industrial design. Although section 7(6) was repealed by the Copyright

(Amendment) Act 2012, works created prior to the amendment would still be governed by section 7(6) which provides that the copyright in a design which is capable of being registered under any written law relating to industrial design but is not so registered would cease as soon as there is any application of that design to an article which has been reproduced more than 50 times by an industrial process. By way of contrast, the amended section 13B provides that articles derived from an artistic work and made by an industrial process which are marketed in Malaysia or elsewhere enjoy copyright protection for a period of 25 years from the end of the calendar year in which the articles are first marketed.

1.6 Are there any restrictions on the protection for copyright works which are made by an industrial process?

It is not an infringement of any copyright to make an article according to a design document or model recording or embodying a design for anything other than an artistic work or a typeface. However, the copying of a two-dimensional design document itself may infringe the copyright thereof. Section 13A of the CA 1987 is restricted to the three-dimensional reproduction of a design.

Once the copyright owner has made, by an industrial process or other means, articles which are copies of the artistic works, and marketed such articles in Malaysia or elsewhere, he is entitled to copyright protection for only 25 years calculated from the end of the calendar year in which such articles were first marketed. If only part of the artistic work is exploited as aforementioned, the 25-year copyright protection applies to only that part.

See also comments on the repealed section 7(6) and amended section 13B of the CA 1987 under question 1.5.

2 Ownership

2.1 Who is the first owner of copyright in each of the works protected (other than where questions 2.2 or 2.3 apply)?

Copyright is initially vested in the author.

2.2 Where a work is commissioned, how is ownership of the copyright determined between the author and the commissioner?

Where a work is commissioned by a person who is not the author's employer under a contract or service of apprenticeship, the copyright shall be deemed to be transferred to the person who commissioned the work, subject to any agreement between the parties excluding or limiting such transfer.

2.3 Where a work is created by an employee, how is ownership of the copyright determined between the employee and the employer?

In the case of a work which is made in the course of the author's employment, the copyright shall be deemed to be transferred to the author's employer subject to any agreement between the parties excluding or limiting such transfer.

This rule does not apply if the employee creates the work outside of normal working hours and in his home, or the work that is created falls outside the scope of the employee's duties.

In determining whether a person is an employee, the courts will take into account the existence of a written contract of employment, or in the absence of the contract of employment, various factors including the person's duties, the scope of his work stated in his contract, nature of remuneration, authority to supervise the person's work, entitlement to leave and rest days and the facts surrounding each case.

2.4 Is there a concept of joint ownership and, if so, what rules apply to dealings with a jointly owned work?

A "work of joint ownership" is defined by the CA 1987 as a work produced by the collaboration of two or more authors in which the contribution of each author is not separable from the contribution of the other author or authors.

The work must have been produced by the collaboration of two or more authors. There is no requirement for the intention to produce a joint work or that the contribution from each author is equal. However, it requires significant contribution of the joint author in the creation of the work. The issue of significance of the contribution is ascertained by the author's skill and labour expended qualitatively regardless of the contribution to the quantity of a work. Joint authorship does not recognise contribution of ideas alone because copyright law protects expression of a work and not its ideas.

If each author's contribution can be separated from each other and the contributor is clearly identified, the work is not created out of a joint authorship. In such a scenario, each author is entitled to full copyright protection to his portion of contribution. The person selecting, arranging and compiling the contents of each individual author's work has copyright of the entire work.

An assignment or licence granted to one copyright owner shall have effect as if the assignment or licence is also granted by his co-owner or co-owners, and subject to any agreement between the co-owners, fees received by any of the owners shall be divided equally between all the co-owners.

3 Exploitation

3.1 Are there any formalities which apply to the transfer/assignment of ownership?

For an assignment to take effect, it must be in writing.

3.2 Are there any formalities required for a copyright licence?

All licences must be made in writing.

There is another form of non-exclusive licence for publishing and producing translation in the Malay language and other vernacular languages in Malaysia of a literary work written in any other language. An application for such licence needs to be submitted to the Copyright Tribunal in such form as specified in Part 1 of the Schedule in the Copyright (Licence to Produce and Publish in the National Language a Translation of a Literary Work) Regulations 1987. A separate application shall be made in respect of each literary work and each application shall be in triplicate and shall be served by delivering it in person or by sending it by post to the Secretariat to the Tribunal. At the time that the application is made, a fee of 100 Ringgit Malaysia shall be paid to the Secretariat.

3.3 Are there any laws which limit the licence terms parties may agree (other than as addressed in questions 3.4 to 3.6)?

No, there are no such laws in Malaysia.

3.4 Which types of copyright work have collective licensing bodies (please name the relevant bodies)?

Musical sound-recording works and performers' rights have licensing bodies. The relevant bodies are Music Authors' Copyright Protection (MACP) Berhad, Recording Performers Malaysia (RPM) Berhad, Public Performance Malaysia (PPM) Sdn Bhd and Performers Rights & Interest Society of Malaysia (PRISM) Berhad.

3.5 Where there are collective licensing bodies, how are they regulated?

The licensing bodies are regulated by the CA 1987 and the Copyright (Licensing Body) Regulations 2012. A licensing body must apply to the Controller of Copyright to be declared a licensing body.

3.6 On what grounds can licence terms offered by a collective licensing body be challenged?

A 'licensing scheme' relates to a licensing scheme operated by licensing bodies in relation to the copyright in any work so far as they relate to licences for:

- Reproducing the work.
- Performing, showing or playing the work in public.
- Communicating the work to the public.
- Rebroadcasting the work.
- The commercial rental of the work to the public.
- Making adaptation of the work.

Where there is dispute as to the terms of a licensing scheme between the operator of the licensing scheme and:

- a person claiming that he requires a licence in a case of a description to which the licensing scheme applies;
- an organisation claiming to be a representative of such persons; or
- a person who has been granted a licence to which the licensing scheme applies,

the operator of the licensing scheme, the person or the organisation may refer the licensing scheme to the Copyright Tribunal insofar as it relates to cases of that description.

4 Owners' Rights

4.1 What acts involving a copyright work are capable of being restricted by the rights holder?

Copyright owners have the exclusive right to control the following acts in relation to the whole work or a substantial part thereof, either in its original or derivative form:

- 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.
- Commercial rental to the public.

4.2 Are there any ancillary rights related to copyright, such as moral rights, and if so what do they protect, and can they be waived or assigned?

The CA 1987 recognises moral rights. Where copyright subsists in a work, no person may, without the consent of the author, or after the author's or his representative's death, do or authorise any of the following acts:

- present the work, by any means whatsoever, without identifying the author or under a name other than that of the author; and
- distort, mutilate or in any other way modify the work if the distortion, mutilation or modification:
 - (i) significantly alters the work; and
 - (ii) is such that it might reasonably be regarded as adversely affecting the author's honour or reputation.

The author or, after his death, his personal representative, may exercise the moral rights notwithstanding that the copyright of the work is not at the time of the act complained of vested in the author or personal representative.

A performer enjoys moral rights as well. However, a performer's moral rights only exist if his performance has been fixed in 'phonogram' form. Performances recorded in forms other than phonogram do not enjoy any moral right. 'Phonogram' refers to 'the fixation of the sound of a performance or of other sounds other than in the form of a fixation incorporated in a film or other audio-visual work'.

4.3 Are there circumstances in which a copyright owner is unable to restrain subsequent dealings in works which have been put on the market with his consent?

A copyright owner's exclusive right to distribute copies of its work to the public by sale or transfer of ownership is limited to putting into circulation copies not previously put into circulation in Malaysia and not to any subsequent distribution or importation of those copies into Malaysia.

A copyright owner's exclusive right to commercial rental in relation to films only applies if such commercial rental has led to widespread copying of such work which has materially impaired the exclusive right of reproduction.

5 Copyright Enforcement

5.1 Are there any statutory enforcement agencies and, if so, are they used by rights holders as an alternative to civil actions?

The CA 1987 empowers the Minister of the Ministry of Domestic Trade, Co-operatives and Consumerism (MDTCC) to appoint a Controller of Copyright, Deputy Controllers and Assistant Controllers who have superintendence and supervision over all matters relating to copyright including enforcement of the CA 1987. The Controllers form part of the Enforcement Unit and are conferred powers of investigation which are shared with the police, although in practice, the police generally carry out an ancillary role. The enforcement officers have the power to:

- enter premises with a warrant (during entry of premises, the enforcement officers may have access to computerised or digitalised data whether stored in a computer or any other medium);

- enter premises without a warrant;
- remove any obstruction to entry;
- detain suspects;
- investigate the commission of any offence under the CA 1987 or subsidiary legislation made thereunder;
- forfeit articles seized;
- arrest without warrant; and
- intercept or listen to any communications that are likely to contain any information which is relevant for the purpose of any investigation into an offence.

Apart from the criminal enforcement powers, the CA 1987 also establishes the Copyright Tribunal which has the power to make the following orders:

- to approve or vary the licensing scheme;
- to determine whether the particular applicants should be granted licences under such schemes;
- to approve or vary the terms of particular licences;
- to hear disputes over which applicants for licence fall within the scheme on the refusals to grant licences; and
- to make orders declaring that the complainant is entitled to a licence.

The Tribunal may of its own motion, or shall at the request of a party, refer a question of law arising in proceedings concluded before it for determination by the High Court. A decision of the High Court shall be final and conclusive and no such decision shall be final and shall not be challenged in any other authority, judicial or otherwise, whatsoever.

5.2 Other than the copyright owner, can anyone else bring a claim for infringement of the copyright in a work?

An 'exclusive licensee' has the same rights of action and is entitled to the same remedies as the copyright owner as if the licence had been an assignment, and those rights and remedies shall be concurrent with the rights and remedies of the copyright owner. However, the exclusive licensee cannot proceed with the action except with the leave of court, unless the owner is joined as a party.

5.3 Can an action be brought against 'secondary' infringers as well as primary infringers and, if so, on what basis can someone be liable for secondary infringement?

A direct or primary infringer is any person who does or causes any other person to do, without the licence of the copyright owner, any act referred to under question 4.1.

Indirect or secondary infringement occurs where any person who, without the consent or licence of the copyright owner (in Malaysia or elsewhere), and where he knows or ought reasonably to know that the making of the article was carried out without the consent or licence of the copyright owner, imports an article into Malaysia for the purpose of:

- selling, letting for hire, or by way of trade, offering or exposing for sale or hire, the article;
- distributing the article for the purpose of trade or any purpose to an extent that it will affect prejudicially the owner of the copyright; or
- by way of trade, exhibiting the article in public.

Therefore, an action can be brought against both primary and secondary infringers.

5.4 Are there any general or specific exceptions which can be relied upon as a defence to a claim of infringement?

The exceptions which can be relied upon as a defence to a claim of copyright infringement are:

- Fair dealing for purposes of research, private study, criticism, review or the reporting of news or current news provided that it is accompanied by an acknowledgment of the title of the work and its authorship (not applicable if reporting of news or current events by means of a sound recording, film or broadcast).
- An act restricted by copyright is done by way of parody, pastiche or caricature.
- Incidental inclusion of a copyright work in an artistic work, sound recording, film or broadcast.
- Reproduction and distribution of copies of any artistic work permanently situated in a place where it can be viewed by the public.
- Incidental inclusion of a work in an artistic work, sound recording, film or broadcast.
- Inclusion of a work in a broadcast, performance, showing or playing to the public, collection of literary or musical works, sound recording or film, if such inclusion is made by way of illustration for teaching purposes and is compatible with fair practice provided the source of the work and the name of the author which appears on the work is mentioned.
- Any use of a work for the purpose of an examination by way of setting the questions, communicating the questions to the candidates or answering the questions provided that a reprographic copy of a musical work shall not be made for use by an examination candidate in performing the work.
- Playing of a recording of a broadcast in schools, universities or educational institutions.
- Making of a sound recording of a broadcast, or a literary, dramatic or musical work, sound recording or a film included in the broadcast insofar as it consists of sounds if such sound recording of a broadcast is for the private and domestic use of the person by whom the sound recording is made.
- Making of a film of a broadcast, or a literary, artistic, dramatic or musical work or a film included in the broadcast insofar as it consists of visual images if such making of a film of the broadcast is for the private and domestic use of the person by whom the film is made.
- Making and issuing of copies of any work into a format to cater for the special needs of people who are visually or hearing impaired and the issuing of such copies to the public is by non-profit making bodies.
- Reading or recitation in public or in a broadcast by one person of any reasonable extract from published literary work if accompanied by sufficient acknowledgment.
- Use of work by certain public libraries and educational, scientific or professional institutions as the MDTCC may prescribe.
- Reproduction of any work by a broadcasting service (Government-owned or privately-owned) exclusively for a lawful broadcasting and it is destroyed within six months from the date of the reproduction, unless a longer period is agreed between the broadcasting service and the copyright owner, but if the reproduction of the work is of exceptional documentary character, it may be preserved in the archives of the broadcasting service and shall not be used for broadcasting or for any other purpose unless consent is obtained from the copyright owner.

- Performance, showing or playing of a work by a non-profit club or institution for charitable or educational purposes in a place where no admission fee is charged.
- Use of work for the purposes of judicial proceedings, royal commission proceedings, a legislative body, a statutory or Governmental inquiry, or for the purpose of the giving of professional advice by a legal practitioner.
- Quotations from a published work if they are compatible with fair practice and their extent does not exceed that justified by the purpose, provided the source of the work and the name of the author which appears on the work is mentioned.
- 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 and provided the source is clearly indicated.
- 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 information purposes and has not been expressly reserved.
- Commercial rental of computer programs, where the program is not the essential object of the rental.
- 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 utilisation of the said work.

5.5 Are interim or permanent injunctions available?

Interim or permanent injunctions are available at the discretion of the courts depending on the circumstances of the applicant's submission of the injunction. An interim injunction is granted to provide copyright owners with immediate protection in the period between commencement of proceedings and trial. On the other hand, a permanent injunction is granted at the trial to restrain further commission of the infringing acts by the defendant, his servants or agents.

5.6 On what basis are damages or an account of profits calculated?

Where the copyright owner grants licences to others on payment of a fixed royalty or licence fee, damages are calculated on the basis of the royalty rate. If the copyright owner and the infringer are direct competitors, damages will be assessed on a lost sales basis, that is, the lost profits which the copyright owner would have received had the infringement not occurred. The court may quantify the damages based on impression and not precise assessment of individual items.

An account of profits requires the defendant to make an account of profits to calculate all revenue he has made out of his infringement and is required to restore it to the plaintiff to prevent the defendant from being unjustly enriched at the expense of the plaintiff.

5.7 What are the typical costs of infringement proceedings and how long do they take?

The typical costs of infringement proceedings are approximately USD 50,000 to USD 100,000 depending on the complexity of the matter and issues involved.

The estimated period of time of civil actions from filing to trial is approximately 12 to 15 months.

5.8 Is there a right of appeal from a first instance judgment and if so what are the grounds on which an appeal may be brought?

The right of appeal from a first instance judgment of the High Court is to the Court of Appeal in respect of the whole or any part of the judgment based on a point of fact or law, or both. However, an appeal from a judgment of the Court of Appeal to the Federal Court can only be based on a point of law provided that a leave to appeal is granted by the Federal Court.

5.9 What is the period in which an action must be commenced?

An action for copyright infringement must be commenced within six years from the act of infringement before the action is time-barred. In the case of continuing infringement, the limitation period is computed from the date of infringement.

6 Criminal Offences

6.1 Are there any criminal offences relating to copyright infringement?

There are criminal offences relating to copyright infringement as stated below:

- (a) Making for sale or hire any infringing copy.
- (b) Selling, letting for hire or by way of trade, exposing or offering for sale or hire any infringing copy.
- (c) Distributing infringing copies.
- (d) Having in the infringer's possession, custody or control, other than for his private and domestic use, an infringing copy.
- (e) By way of trade, exhibiting in public any infringing copy.
- (f) Importing into Malaysia, other than for private and domestic use, an infringing copy.
- (g) Making or having in possession any contrivance used or intended to be used for the purposes of making infringing copies.
- (h) Circumventing or authorising the circumvention of any effective technological protection measures that are used by copyright owners in connection with the exercise of their rights under the CA 1987 and that restrict unauthorised acts.
- (i) Manufacturing, importing or selling any technology or device for the purpose of the circumvention of any effective technological protection measure.
- (j) Removing or altering any electronic rights management information without authority.
- (k) Distributing, importing for distribution or communicating to the public, without authority, works or copies of the works in respect of which electronic rights management information has been removed or altered without authority.
- (l) Operating an audio-visual recording device in a screening room to record any film in whole or in part.

6.2 What is the threshold for criminal liability and what are the potential sanctions?

The standard of proof for criminal liability is proof beyond reasonable doubt.

Any person who is found guilty of the offences stated under question 6.1 is liable to either a fine, or imprisonment, or both.

7 Current Developments

7.1 Have there been, or are there anticipated, any significant legislative changes or case law developments?

In *Dura-Mine Sdn Bhd v Elster Metering Limited & Anor* [2015] 3 MLJ 1, the highest court of the land, namely the Federal Court, determined the question whether there should be strict compliance with the requirements of section 42(1) of the CA 1987 in order to raise the statutory presumption therein. Section 42 provides that a statutory declaration by or on behalf of a person claiming to be the copyright owner of a work is admissible as evidence in any proceedings and is *prima facie* evidence of the facts contained therein. At the trial court, the respondents alleged the appellant manufactured, imported and/or offered for sale a water meter without the respondents' consent which infringed their copyright to engineering drawings of the said product. The appellant contended that the respondent's statutory declaration failed to comply with the requirements of section 42(1)(a) of the CA 1987 in that the drawings annexed to the statutory declaration lacked originality as the drawings were not true copies and were merely modified versions of the original drawings.

The High Court held that the drawings were original regardless of whether or not the quality of being original of the drawings was apparent from the drawings annexed to the statutory declaration as the appellant had ultimately failed to rebut the *prima facie* evidence that the respondent was the copyright owner. The decision of the High Court was subsequently upheld by the Court of Appeal.

On appeal to the Federal Court, the Federal Court stated that copyright is not limited to the first or the earliest work. Copyright subsists in the subsequent drawings and revisions as well as modified versions of the original drawings, provided that the copyright owner is able to prove that sufficient effort has been expended to make the work original in character and gives a complete account of the chain of ownership of the copyright which is authenticated by documents.

Nevertheless, the Federal Court clarified that an affidavit or statutory declaration must strictly comply with the whole of section 42(1)(a) of the CA 1987, failing which the statutory declaration will not be admissible as *prima facie* evidence. However, the court held that section 42 CA 1987 is far from being the only means of proving copyright ownership. Other forms of evidence, such as oral evidence, which is tested on cross-examination may augment, correct or even supplant a defective affidavit or statutory declaration.

Taking into consideration the above grounds, the Federal Court ruled that the appellant failed to rebut the *prima facie* evidence that the respondent was the copyright owner of the original design and chain of modification to the drawings.

7.2 Are there any particularly noteworthy issues around the application and enforcement of copyright in relation to digital content (for example, when a work is deemed to be made available to the public online, hyperlinking, etc.)?

Technological Protection Measures

Section 36A of the CA 1987 deals with the circumvention of technological protection measures (e.g. access control and copy control measures). Any circumvention of, or causing or authorising any other person to circumvent, a technological protection measure is an offence. Commercial dealings with any technology, device or component that either has as its main purpose the circumvention of

technological protection measures or promotes or facilitates such circumvention is also prohibited.

Rights Management Information

Section 36B of the CA 1987 provides protection against the tampering with rights management information in electronic form or the dealing with copies of works knowing that the electronic rights management information has been removed or altered. The 'rights management information' consists of information that identifies the work, author, owner of any right in the work, terms and conditions of use of the work, and the codes representing such information, when any of these items is attached to a copy of the work or appears in connection with the communication of the work to the public.

Online Service Provider

Section 43C(1) of the CA 1987 exempts a service provider from liability for copyright infringement if the infringement by its user occurs by reason of any of the following:

- the transmission, routing or provision of connections by the service provider of an electronic copy of the work through its network; or
- any transient storage by the service provider of an electronic copy of the work in the course of such transmission, routing or provision of connections.

The exemption is, however, confined to any of the following situations:

- the service provider did not initiate or direct the transmission of the electronic copy of the work;
- the service provider did not select the electronic copy of the work but the transmission, routing or provision of connections was carried out through an automatic technical process;
- the service provider did not select the recipient of the electronic copy of the work except as an automatic response to the request of another person; or
- the service provider did not modify the electronic copy of the work other than as part of a technical process.

Section 43D(1) of the CA 1987 provides that a service provider shall not be held liable for infringement of copyright for the making of any electronic copy of the work on its primary network if it is:

- from an electronic copy of the work made available on an originating network;
- through an automatic process;

- in response to an action by a user of its primary network; or
- in order to facilitate efficient access to the work by a user, provided that the service provider does not make any substantive modification to the contents of the electronic copy, other than a modification made as part of a technical process.

Section 43E of the CA 1987 exempts a service provider from liability in the following situations:

- when storing an electronic copy of a work where it is done at the direction of its user; and
- when referring or providing a link or an information location service to its users where an electronic copy of the work is available at an online location of another network,

provided that the service provider does not have knowledge of the infringing activity, does not receive any financial benefit directly attributable to the infringement and has responded promptly to a notification to take down the infringing copy.

Notice and Take-down Procedure

Section 43H of the CA 1987 provides that, if an electronic copy of a work accessible in a network infringes the copyright of the work, the copyright owner has the right to notify the service provider about the infringement. The copyright owner must compensate the service provider against any damages, loss or liability arising from the compliance by the provider within 48 hours from the receipt of the notification. A service provider who has removed the infringing copy of the work shall notify the person who made available the infringing copy of the action taken by the service provider. The person whose work was removed or to which access has been disabled may send a counter-notice to the service provider. The service provider shall, upon receipt of the counter-notice, promptly provide the issuer of the first notification with a copy of the counter-notice and inform the issuer that the removed work or access to the work will be restored in 10 business days, unless the service provider has received another notification from the issuer of the first notification informing it that he has filed an action seeking a court order to restrain the issuer of the counter notification from engaging in any infringing activity relating to the material on the service provider's network.

**Lin Li Lee**

Tay & Partners
6th Floor, Plaza See Hoy Chan
Jalan Raja Chulan
50200 Kuala Lumpur
Malaysia

Tel: +603 2050 1888
Fax: +603 2072 6354
Email: linli.lee@taypartners.com.my
URL: www.taypartners.com.my

Lin Li is a Partner of the firm and the Head of the IP and Technology Department. She handles contentious matters involving patent, trade mark, copyright and industrial design infringement; passing off including seizure and anti-counterfeiting actions and notably provides strategic advice on settlement negotiations. She also advises on domain name issues and disputes. Lin Li is regularly engaged by clients to advise on cross-border transactions involving licensing, technology transfer, assignment and franchising. A major part of her practice consists of advising and working closely with local and international clients on the management, protection and enforcement of their IP portfolio in various sectors. She also advises clients on franchising laws, and regularly speaks at seminars and workshops on personal data protection. Lin Li read law at the University of Leeds, United Kingdom (second upper) and is admitted as an Advocate and Solicitor of the High Court of Malaya. Lin Li is a registered trade mark, industrial designs and geographical indications agent. She is listed as a recommended lawyer in *The Legal 500 Asia Pacific 2014* and *The Legal 500 Asia Pacific 2015*.



With a history that spans two decades in Malaysia, Tay & Partners' presence and philosophy is built on a bedrock of solid legal expertise combined with a business-oriented approach. We build our reputation by presenting clients with innovative and practical solutions. This enables us to perform in a manner that exceeds expectations and sets us apart as true experts, backed by a track record honed from extensive experience.

Our clients refer to us as their strategic alliance – to us that just means we are reliable, trustworthy and an ally to their business. We are at the forefront of the Malaysian intellectual property industry and have been consistently recognised for our practice in Intellectual Property in surveys by major legal directories. We have also been consecutively voted as a leading law firm in Malaysia for Intellectual Property.

Please visit www.taypartners.com.my for more information.

Current titles in the ICLG series include:

- Alternative Investment Funds
- Aviation Law
- Business Crime
- Cartels & Leniency
- Class & Group Actions
- Competition Litigation
- Construction & Engineering Law
- Copyright
- Corporate Governance
- Corporate Immigration
- Corporate Recovery & Insolvency
- Corporate Tax
- Data Protection
- Employment & Labour Law
- Enforcement of Foreign Judgments
- Environment & Climate Change Law
- Franchise
- Gambling
- Insurance & Reinsurance
- International Arbitration
- Lending & Secured Finance
- Litigation & Dispute Resolution
- Merger Control
- Mergers & Acquisitions
- Mining Law
- Oil & Gas Regulation
- Patents
- Pharmaceutical Advertising
- Private Client
- Private Equity
- Product Liability
- Project Finance
- Public Procurement
- Real Estate
- Securitisation
- Shipping Law
- Telecoms, Media & Internet
- Trade Marks



59 Tanner Street, London SE1 3PL, United Kingdom
Tel: +44 20 7367 0720 / Fax: +44 20 7407 5255
Email: sales@glgroup.co.uk

www.iclg.co.uk