

**DALAM MAHKAMAH RAYUAN MALAYSIA  
(BIDANGKUASA RAYUAN)  
RAYUAN SIVIL NO: W-02-2598-09**

**ANTARA**

**DURA-MINE SDN BHD  
(No. Syarikat : 417657-K)**

**... PERAYU**

**DAN**

- 1. ELSTER METERING LIMITED**
- 2. GEORGE KENT (M) SDN BHD  
(No. Syarikat : 1945-X)**

**... RESPONDEN-RESPONDEN**

(Dalam Perkara Rayuan Sivil No. D2 (D5(IP))-22-1280-2006  
Dalam Mahkamah Tinggi Malaya di Kuala Lumpur

**ANTARA**

- 1. ELSTER METERING LIMITED**
- 2. GEORGE KENT (M) SDN BHD  
(No. Syarikat : 1945-X)**

**... Plaintiff-Plaintif**

**dan**

**DURA-MINE SDN BHD  
(No. Syarikat : 417657-K)**

**... Defendan)**

**CORAM:**

**LOW HOP BING, JCA  
ABDUL WAHAB BIN PATAIL, JCA  
ANANTHAM KASINATHER, JCA**

**ANANTHAM KASINATHER, JCA  
DELIVERING JUDGMENT OF THE COURT**

**BACKGROUND FACTS**

1. The dispute between the parties leading to the subject matter of this appeal are drawings for a type of water meter known as the Kent PSM Water meter and its predecessor, the Kent GSM water meter ('the Kent Water Meter'). It is not in dispute that the original drawings were from time to time modified and such modification is apparent on an examination of the drawings by their current 'MOD Numbers, the previous issue numbers ('issues') are specified on the drawings. It is also not in dispute that the respondents rely on all MOD Numbers and issues of the drawings in respect of their claim that these drawings constitute original artistic work.
2. The 2<sup>nd</sup> respondent is the exclusive licensee of the copyright in the drawings and the Kent Water Meter in Malaysia and 3 other countries. It was the respondents' case that the appellant had,

without the licence or authority of the respondents, possessed for the purpose of trade or business, advertising, offering or exposing for sale, selling, supplying, importing, or otherwise dealing in or with water meters under the model reference PD 97 TRP ('the PD97 Water Meter') and parts thereof which reproduce in material from the drawings of the Kent Water Meter. The respondents further claimed that the appellant knew or had reason to believe that the import and sale or offer for sale in Malaysia and dealing in or within Malaysia in the PD97 Water Meter constitutes an infringement of the copyright in the drawings of the respondents' Kent Water Meter.

### **APPELLANT'S CASE**

3. The first ground relied upon by the appellants in their memorandum of appeal was that the statutory declaration filed by the respondents pursuant to Section 42 of the Copyright Act 1987(Act) failed to adhere to the requirements of the Section. According to learned counsel for the appellant, compliance with Section 42 requires the 1<sup>st</sup> respondent to annex a copy of the drawings eligible for copyright to the statutory declaration. However, learned counsel submitted that this was not the case with the drawings which were annexed to the statutory declaration because the annexed drawings were not the first issues of the drawings of the Kent Water Meter but instead are subsequent issues i.e modified versions of the first issues of

the drawings. In this respect, Learned counsel for the appellant highlighted the fact that the case of the respondent was not that the annexed drawings were the original drawings but that the subsequent issue drawings were substantially the same as the originals with minor modification.

4. Learned counsel for the appellant then referred to the Learned Trial Judge's finding that His Lordship did not consider this discrepancy to be fatal as evidenced by the following finding of his Lordship:

*"The fact that minor modifications had been made on the drawings, these modifications had not had the effects of erasing the substantial character of the original drawings".*

His Lordship's reliance on the authority of *Allibert SA v. O'Connor and Another [1981] FSR 631* in support of this finding was criticized by learned counsel for the appellant as being wrong. According to counsel, the principle of law pronounced in that case was not applicable to the facts of this case. The distinguishing feature was that in that case, the plaintiff was relying on the later drawings to prove the original, not as in this case where the later drawings were being relied upon to raise the statutory presumption under Section 42.

5. It was the submission of learned counsel for the appellant that the finding of fact by the Learned Trial Judge, that the subsequent issues drawing were substantially the same as the original drawings, meant that the subsequent issues of the drawings did not enjoy sufficient originality to enjoy copyright protection. We were referred to two passages in support of this submission. The first was one in the text book by *Copinger and Skone James on Copyright, 13<sup>th</sup> Edition* to the following effect:

*“Thus if the Plaintiff’s drawing is based partly upon an earlier drawing and all that the defendant has appropriated is the work of the earlier draughtsman, there will be no infringement of the drawing in which the Plaintiff claims copyright. It will of course be the case that if the Plaintiff’s drawing is based wholly upon an earlier drawing, such that there is no copyright in the Plaintiff’s drawing at all, there can be no infringement”.*

**(page 192)**

and the other in the case of *Interlego AG v. Tyco Industries Inc and Others [1988] 3 WLR 678* :

*“There must in addition be an element of material alteration or embellishment to make the totality of the work an original work. Of course, even a relatively small alteration or addition may, if*

*material, sufficient to convert that which is substantially copied from an earlier work into an original work. Whether or not it does so is a question of degree having regard to the quality rather than the quantity of the addition. But copying per se, however much skill or labour may be devoted to the process, cannot make an original work... Moreover, it must be borne in mind that the Copyright Act 1956 confers protection in an original work for a generous period. The prolongation of the period of statutory protection by periodic reproduction of the original work with minor alterations is an operation which requires to be scrutinized with some caution to ensure that that for which protection is claimed really is an original artistic work”.*

**(page 706)**

6. Another aspect of counsel's submission on the same point was that the presumption of ownership is subject to strict compliance of the statutory declaration with the requirements of Section 42 (1). According to counsel, unless the strict requirements of this section have been complied with, the respondent cannot rely on the statutory presumption of the copyright ownership so as to shift the burden to the appellant. Since the drawings annexed to the statutory declaration in this case are not “eligible for copyright” for lack of originality (the

modifications being minor) the respondent has failed to meet a necessary ingredient of Section 42. Learned counsel for the appellant submitted that by reason thereof, the statutory presumption does not arise and on this basis alone, the Learned Trial Judge ought to have dismissed the respondents claim.

7. The second submission of the learned counsel for the appellant was that the Learned High Court Judge had erred in law and/or fact by finding that the copyright, design and other rights to the drawings of the Kent Water Meters created by Elster Metering Holdings Limited ('the Holding Company') prior to the date of the sale of its water meter business to the 1<sup>st</sup> respondent were retrospectively assigned by way of the Deed of Assignment dated 1<sup>st</sup> June 2000. The Holding Company sold its water meter business to the 1<sup>st</sup> respondent on 3<sup>rd</sup> April 1966. The Deed of Assignment dated 1<sup>st</sup> June 2000 purports to assign the copyright in the drawings from ABB Metering Holdings Limited (the Holding Company's predecessor) to ABB Metering Limited (the 1<sup>st</sup> Respondent's predecessor). Through a series of name changes, Kent Meters Limited became the 1<sup>st</sup> respondent, Elster Metering Limited. George Kent Limited, the holding company of Kent Meters Limited, through a series of name changes and listing as a public company, and delisting to a private company again, eventually became Elster Meters Holdings Limited.

8. The respondents' claim that the assignment covers copyright owned by the Holding Company or its predecessors prior to the date of sale of the Holding Company's water meter business to the 1<sup>st</sup> respondent's predecessor, i.e prior to 3<sup>rd</sup> April 1966. The drawings which are the subject matter of this appeal are alleged to have been created between 1963 and 1990. The submission of learned counsel for the appellant was that it is doubtful in law whether a deed of assignment can have retrospective effect. In this case, counsel alleged that the Deed of Assignment was expressed to be retrospective by some 35 years. Counsel contended that it is conceivable that during this 35-year period, licenses would have been given to third parties to use the technology and third party rights may have arisen. Based on the authority of *Goodacre v. Meyer and Another* [2002] EWHC 1785 (Ch), learned counsel for the appellant submitted that:

*"The purported assignment of the Holding company's copyright in the drawings to the 1<sup>st</sup> respondent cannot therefore be valid".*

## **RESPONDENT'S CASE**

9. The respondents' had relied on the statutory declaration affirmed by SP 1 and described as exhibit P2 filed pursuant to Section 42 of the Copyright Act, as causing the burden of proof to be transferred from it to the appellant. According to Section

42 of the Act, a statutory declaration which complied with the provisions of this section shall be prima facie evidence of the ownership of the copyright of the work annexed therein. The case of *Microsoft Corporation v. Yong Wai Hong* [2008] 6 CLJ 223 was relied upon in support of this proposition. Learned counsel for the respondent then highlighted the fact that the Learned Trial Judge had found as a fact that the respondents had complied with the five pre-conditions set out in Section 42 of the Act. The Learned Trial Judge's findings of compliance were as follows:

- a) The declaration is made by SP1 on behalf of the 1<sup>st</sup> respondent who claims to be the owner of the copyright subsisting in the drawings;
- b) SP1 declared that "the drawings are eligible for copyright under the Copyright Act 1987 of Malaysia, and at all material times and at the date of this Statutory Declaration, copyright subsists in Malaysia in the drawings". Further, Exhibit P2 is titled "in the matter of section 42 (1) of the Malaysian Copyright Act 1987 and in the matter of copyright ownership claim by Elster Metering Limited;
- c) SP1 declared that "*the drawings of the Water Meter herein, are true copies of the original artistic works made by employees of Elster Metering Limited or its*

*predecessor or ABB Metering Holdings Limited or its predecessor, in the course of employment whilst resident in the United Kingdom”;*

- d) True copies of each of the six drawings are annexed to Exhibit P2; and
- e) SP1 is authorized to act on behalf of the 1<sup>st</sup> respondent and has attached a true copy of the letter of authorization.

10. In response to the submission of learned counsel for the appellant that the annexed drawings were not the original drawings, learned counsel for the respondent highlighted the fact that at the top of each drawing is a table wherein modifications done to the drawings are marked accordingly. An issue number is allocated for each of the modifications. From these annotations, one may know exactly the nature of the original drawings. This is evidenced, according to learned counsel for the respondent, from the following evidence of SP2 during cross-examination:

*“at the bottom right corner of LPL2-C, there is a log which states the history of the issues regarding this drawing. The last one being no. 7 dated April 13, 1995 and the 1<sup>st</sup> was 25/7/1990...As an example ‘iss. 6’ there had been a modification that removed*

*.3/4 mm raised PAC on case end. Despite the modifications the general features of MKH 822 has remained the same”.*

**(at page 219 ROA Vol. 4)**

11. Learned counsel for the respondent contended that by reason of this detailed log there was no necessity for separate drawings for each issue nor a need for the original drawings to be annexed since the new issues and modifications were minor. In other words, by reason of the respective drawings being updated from the very first modification and the modifications done being marked on the drawings themselves, the original nature of the drawings was apparent from the drawings annexed to the statutory declaration. As the respondents have relied on all Mod numbers and issues of the drawings in the High Court suit, the drawings annexed to exhibit P2 are true copies of the 1<sup>st</sup> respondents' works for which it claims copyright.
12. According to learned counsel for the respondents, the aforesaid approach for compliance with the provisions of Section 42 is acceptable by reason of the meaning of the word “*original*”. The Court in *University of London Press Ltd v. University Tutorial Press Ltd [1916] 2 Ch. 601* opined through Peterson J that:

*“The word ‘original’ does not mean that the work must be an expression of original or inventive*

*thought. Copyright Acts are not concerned with the originality of ideas, but with the expression of thought...But the Act does not require that the expression must be original or in novel form, but that work must not be copied from another work-that is should originate from the author”.*

13. In the context of the Malaysian Copyright Act 1987, learned counsel for the respondent contended that one of the criteria for originality is that ‘*sufficient effort has been expended to make the work original in character*’ (section 7(3) (a) of the Act). It is not disputed by the appellant that sufficient effort had been expended to make the drawings (minus the modifications) original in character. Counsel submitted that by just looking at drawings authored by the employees of the 1<sup>st</sup> Respondent and its predecessors, it can be readily concluded that effort, time and skill had been expended to produce them. That the modifications are minor, according to counsel for the respondent, is evident from the fact that many of the modifications pertain to changes of material only but not the shape. Counsel reiterated that essentially, the design of the Kent Water Meter has not changed over the years and the physical Kent Water Meter Exhibit P11 almost precisely correlates to the drawings annexed to the statutory declaration.
14. Based on the above submissions, learned counsel for the respondent submitted that the respondent had successfully

discharged the burden imputed to the respondent under Section 42 of the Act. According to counsel, to the extent the defence of the appellant at the High Court stage consisted largely of bare denials in the statement of defence, the Learned Trial Judge correctly held that there was insufficient evidence to challenge or rebut or dislodge the said prima facie evidence adduced by the respondents. The authority of *Rock Records (M) Sdn Bhd v. Audio One Entertainment [2005] 1 CLJ 2000* was cited as authority for the proposition that the burden can only be discharged by the appellant leading factual evidence to doubt the subsistence of copyright in the 1<sup>st</sup> respondent's drawings.

## **JUDGMENT OF THE COURT**

15. We understand the thrust of the submission of counsel for the appellant to be that so long as the modifications to the original drawings are minor, then, compliance with Section 42 of the Act requires the original drawings to be annexed to the statutory declaration. The rationale being that, in the absence of the original drawings, the court is in no position to determine the extent of time and skill that had been expended to produce the original drawings. Further that this is a requirement under Section 42(1)(iii) of the Act bearing in mind that the respondent can claim to have established prima facie evidence of copyright ownership only upon strict compliance with Section 42 of the Act. Since it is not in dispute that the original drawings were not

annexed to the statutory declaration, learned counsel for the appellant contended that the Learned Trial Judge erred in ruling that the statutory declaration filed by the respondent had complied with Section 42 of the Act so as result in the transfer of the burden to the appellant.

16. With respect, we are unable to agree with this submission of counsel for the appellant. In our judgment, Section 42 in its present form allows a copyright owner to produce the original drawings and where such drawings are not available, other drawings to prove copyright ownership. Hence, the provision in Section 42(1)(iii) that the evidence contained in the statutory declaration only affords prima facie evidence. Upon the copyright owner discharging this burden, it is open to the appellant to dispute and challenge the prima facie evidence adduced by the copyright owner by adducing factual evidence of his own. This is evident from the passage in the judgment of Laddie J in the case of *IPC Media Ltd v. Highbury-Leisure Publishing Ltd* [2005] F.S.R. 434 at page 441:

*“Occasionally, a claimant may have difficulty in identifying which of his works the defendant has copied. In some cases, this is because the defendant has not copied. In others, it may be because the author of the copyright work has produced a large number of very similar works. In such a case, it may be difficult to identify which of*

*the individual works were copied. The copied material is present in all of them...the court may be persuaded that the specific copyright works relied upon in the action are either the precise ones copied directly or indirectly, by the defendant or that they substantially reproduce the earliest copyright work which was copied and therefore amount to evidence of what that earliest copyright work was like”.*

17. The Learned Trial Judge relying on the above passage and a passage in the judgment of the Court in the case of *Allibert SA v O’Connor and Another (supra)* that:

*“The plaintiffs could rely on the updated drawings and although it could not be certain as to the extent of the labour and skill involved in the production of the original drawings, it was satisfied on the balance of probability, just by looking closely at the drawings that the labour and skill involved was significant enough to justify a claim for copyright protection over them”.*

then made the following finding of fact;

*“Looking at the evidence in the case before me, there has also been the evidence of SP2, Pan Lian*

*Hong the Production, Quality Assurance and the R & D officer of the 2<sup>nd</sup> plaintiff, who had testified that despite the modifications made to the drawing MKH822, its general features 'has remained the same'. This piece of evidence was not challenged. It is very important, to my mind, to bear in mind that these drawings which have been annexed to the affidavit of SP1 (P2) are true copies of the originals showing their respective modifications. These drawings are engineering drawings of the various components of the Kent PSM water meters (P11) and the modifications made on them have not changed the substantial character of the various design drawings. Actually the annexed copies show the historical journey of the first issues and copyrights over them continue as long as the embellishments made have not substantially changed their original character. In the words of the learned Justice Costello in the Allibert's case (supra) the modifications have not been extensive. Indeed such is the case, for if a substantially different drawing were to emerge with respect to the particular component's design, then the maker might as well have drawn or have issued a new design drawing altogether instead of building upon an existing original design drawing. These drawings of the plaintiffs have the initials of the names of their*

*makers on them, for instance 'peter Sharp' and that the drawings were issued for Kent Meters Ltd and copyright for drawing MEB 2315 was claimed by Kent Meters Ltd in 1963 and as such by virtue of section 26 (4) of our Copyright Act 1987, in the absence of any evidence to the contrary being shown or led by the defendant, those names of the makers would constitute prima facie evidence thereof and as they were employed by the 1<sup>st</sup> plaintiff, the latter by virtue of section 26 (2) of the same Act 1987, are thereby the owners of such copyright over these drawings”.*

18. Our understanding of the aforesaid finding of the Learned Trial Judge is that notwithstanding the absence of the original drawings, His Lordship was satisfied based on the log provided in the drawings that the annexed drawings were substantially similar to the original drawings since the modifications were minor in nature. In our opinion, the key words in the aforesaid finding of His Lordship are the words:

*“and the modification made on them have not changed the substantial character of the various design drawings. Actually the annexed copies show the historical journey of the first issues and copyrights over them continue as long as the*

*embellishments made have not substantially changed their original character.”*

To the extent labour and effort had gone into the making of the original drawings, the Learned Trial Judge then proceeded to rule that notwithstanding the absence of the original drawings, there was compliance with Section 42 of the Act. Since the ownership of the respondents to the copyright in the original drawings through their predecessors in title was established by the terms of the assignment agreement, His Lordship held that the burden had shifted to the appellant.

19. With respect, the determination of whether the nature of the original drawings was apparent from the drawings annexed to the statutory declaration so as to enable the trial Court to rule that the respondents statutory declaration had complied with the provisions of Section 42 is clearly a matter within the province of the Trial Judge. Accordingly, it is a finding of fact which this court should not interfere lightly particularly in the face of authorities which allow a Trial Court to shift the burden to the party challenging the copyright in such circumstances.
20. With respect, the passage in the book by *Copinger and Skone James on Copyright, 13<sup>th</sup> Edition* cited by learned counsel for the appellant does not advance the appellant's case because the passage relied upon by counsel refers to an instance where what was copied was an earlier drawing which did not enjoy

copyright. In other words, this passage refers to a case where the copyright existed in a modification of the original drawing and the alleged infringement was the copy of an earlier drawing. Since it is not in dispute that the modification to the original drawings, on the facts of this case were minor, this passage is clearly not applicable to the facts of this case. The passage in the judgment of the Court in *Interlego AG v. Tyco Industries Inc and Others (supra)* is equally unhelpful since it refers to the circumstances when a copyright vests in the modified drawings.

21. The fact of the matter is that upon the Court shifting the burden to the appellant, the appellant produced no factual evidence to challenge the respondents' claim to copyright ownership in the drawings to the Kent Water Meter. The only real defence raised by the appellant was to challenge the validity of the assignment. With respect, this defence is totally unmeritorious as the respondents provided a complete and unbroken chronology of the respondents' claim to the copyright based on an assignment agreement and a history of however, the ownership was derived from the predecessors in title. This history of ownership being set out in SP1's statutory declaration. Based on this chronology and the history of the ownership, we see no reason to doubt the respondents claim to having validly acquired the copyright to the drawings of the Kent Water Meter.

We find no merit in this appeal. We are in agreement with the findings and decision of the Learned High Court Judge. Accordingly, this appeal is dismissed with costs. Appellant to pay costs of RM 25,000 to the respondent. Deposit to respondent towards account of fixed costs.

Sgd.

**ANANTHAM KASINATHER  
JUDGE  
COURT OF APPEAL MALAYSIA  
PUTRAJAYA**

**DATE OF DECISION: 9<sup>th</sup> AUGUST 2011**

**DATED THIS: 4<sup>th</sup> JUNE 2013**

## **COUNSEL FOR THE 1<sup>st</sup> APPELLANT**

Mr. Rajendran Navaratnam  
(Together with Ms. Choo Mun Wei)  
Tetuan Azman Davidson & Co  
Peguambela & Peguamcara  
Suite 13.03, Tingkat 13  
Menara Tan & Tan  
207 Jalan Tun Razak  
50400 Kuala Lumpur

## **COUNSEL FOR THE RESPONDENT**

Mr. Timothy Siaw  
(Together with Mr. Teng Wei Ren)  
Tetuan Shearn Delamore & Co  
Peguambela & Peguamcara  
Tingkat y, Wisma Hamzah Kwong-Hing  
No.1, Leboh Ampang  
50100 Kuala Lumpur

## **REFERENCE:**

1. *Allibert SA v. O'Connor and Another* [1981] FSR 631
2. *Interlego AG v. Tyco Industries Inc and Others* [1988] 3 WLR 678
3. *Goodacre v. Meyer and Another* [2002] EWHC 1785
4. *Microsoft Corporation v. Yong Wai Hong* [2008] 6 CLJ 223

5. *University of London Press Ltd v. University Tutorial Press Ltd* [1916] 2 Ch. 601
6. *Rock Records (M) Sdn Bhd v. Audio One Entertainment* [2005] 1 CLJ 2000
7. *IPC Media Ltd v. Highbury-Leisure Publishing Ltd* [2005] F.S.R. 434