

We begin our first issue of 2002 with 3 interesting cases from around the world and at home. In the case of Newspaper Licensing Agency Ltd v Marks & Spencer plc, the House of Lords considered whether copies of newspaper clippings were a copyright infringement of the typographical arrangements of newspaper publications. At home, our High Court reaffirmed the principles for establishing a passing-off claim in a case involving the sale of furniture. Finally, we take a look at an interesting internet defamation case heard before the Supreme Court of Victoria at Melbourne, Australia. The Australian court had to consider and apply legal principles of jurisdiction and publication in a case against Dow Jones & Company Inc for alleged defamatory material published in cyberspace. We trust you will find these short case summaries informative and interesting.

Are Copies of Newspaper Clippings Copyright Infringements?

Facts

The publishers of certain newspapers assigned to the Newspaper Licensing Agency Ltd, the plaintiff, certain copyrights, including copyright in the typographical arrangement of published editions of their newspapers. The plaintiff then licensed press cuttings agencies to take copies from those newspapers on payment of a fee. Marks & Spencer plc, the defendant, obtained cuttings of articles appearing in those newspapers from a licensed agency and then made further copies of some of the cuttings for internal circulation to its executives. The plaintiff sought an injunction and damages against the defendant, claiming that the defendant had infringed the plaintiff's copyright in the typographical arrangements of its published editions of newspapers by making and transmitting facsimile copies of the cuttings.

Decision

1. *Whether typographical copyright subsisted in each of the literary works comprised in the newspaper*

For copyright to subsist in a typographical arrangement, it must be the arrangement of a "published edition" (Section 1(1)(c), Copyright, Designs and Patents Act 1988 ("the Act")). "Published edition" is defined by section 8 of the Act, as "a published edition of the whole or any part of one or more literary, dramatic or musical works".

Newspaper Licensing Agency Ltd v Marks & Spencer plc

English House of Lords, Before Lord Nicholls of Birkenhead, Lord Mackay of Clashfern, Lord Hoffmann, Lord Hope of Craighead and Lord Millet

*June 18, 19; July 12, 2001
[2001] 3 WLR 290*

The House of Lords held that the words “*or more*” in section 8 of the Act show that one may have a single published edition of more than one literary work and that there is no necessary congruence between the concept of an edition and the underlying works. Further, the frame of reference for the term “published edition” is the language of the publishing trade. A “published edition” is therefore the product which the publisher offers to the public.

Consequently, typographical arrangement copyright does not subsist in each of the literary works comprised in the newspaper.

2. *Whether the defendant’s copying amount to copying of a substantial part of the published edition*

To establish infringement, the plaintiff had to show that the copies made by the defendant amounted to substantial parts of the newspaper edition from which the articles had been extracted.

The question of substantiality is a matter of quality rather than quantity (*Ladbroke (Football) Ltd v William Hill (Football) Ltd [1964] 1 WLR 273*, applied). In the case of a typographical arrangement, copying means making a facsimile copy of the arrangement (Section 17(5) of the Act) and not the mere “reproduction of the work in any form”. It is in this context that one must ask whether there has been copying of sufficient of the relevant skill and labour to constitute a substantial part of the edition’s typographical arrangement. Further, the purpose of the copyright is something that can be taken into account in deciding the kind of skill and labour which will attract protection.

In the case of a modern newspaper, the skill and labour devoted to typographical arrangement is principally expressed in the overall design. It is not the choice of a particular typeface, the precise number or width of the columns, the breadth of margins and the relationship of the headlines and strap lines to the other text, the number of articles on a page and the distribution of photographs and advertisements but the combination of all these into pages which give the newspaper as a whole its distinctive appearance. It is difficult to think of the

skill and labour that has gone into the typographical arrangement of a newspaper being expressed in anything less than a full page. The particular fonts, columns, margins and so forth are only the typographical vocabulary in which the arrangement is expressed.

Therefore, a facsimile copy of the single sheet is a copy of the whole of its typographical arrangement. On the other hand, a copy of the article on the page, which gives no indication of how the rest of the page is laid out, is not a copy of a substantial part of the published edition constituted by the newspaper.

As none of the cuttings copied by the defendant sufficiently reproduced the layout of any page of the newspaper to amount to a substantial part of its typographical arrangement, it was held that the defendant had not infringed the plaintiff's copyright.

Conclusion

This decision is likely to be followed here in Singapore. This is because the term "published edition" in the Singapore Copyright Act, 1987 ("Singapore Copyright Act") is defined in similar terms as the UK Copyright Act. Section 91(1) of the Singapore Copyright Act provides that "*copyright shall subsist in a published edition of a literary, dramatic, musical or artistic work, or of 2 or more literary, dramatic, musical or artistic works...*"

Although section 91(1) of the Singapore Copyright Act does not expressly define the copyright protected as a "typographical arrangement copyright", it is included by virtue of Section 86, which provides that "*copyright in relation to a published edition ... is the exclusive right to make, by a means that includes a photographic process, a reproduction of the edition*".

3 Elements To Passing-Off

In this recent High Court case, Judicial Commissioner Woo Bih Li considered the law of passing-off and clearly reaffirmed the 3 elements that are required to establish a cause of action in passing-off.

Momentum Creation Pte Ltd (“Momentum”), a furniture manufacturer and trader, had commenced an action in passing-off against Tan Eng Koon, also a furniture manufacturer and trader, trading in the name of De Angeli (“De Angeli”). Momentum had alleged that Angeli was passing-off 4 items of De Angeli furniture as Momentum’s furniture.

After reviewing the law on passing-off and the evidence adduced by Momentum, the learned JC Woo granted Momentum judgment against De Angeli.

Facts

Momentum is a subsidiary of a public listed, up-market furniture company. Since its incorporation in 1999, Momentum had used the logo “OM” on its furniture. The “OM” logo was also extensively used in its advertising and promotional material for its furniture.

The 4 items of furniture, which formed the subject of the passing-off action, were an L-shaped sofa “Case”, another L-shaped sofa “Globe”. A sideboard “Catena” and a coffee table “Graves”.

Tan Eng Koon began trading as De Angeli from 1 November 1995, before Momentum was formed. De Angeli had participated in furniture fairs and exhibitions. Among the items of furniture sold were 2 L-shaped sofas, a sideboard and a coffee table, all of which were visually similar to items sold by Momentum.

The evidence relied on by Momentum consisted largely of the testimonies of customers and video recordings by private investigators. The evidence showed that De Angeli’s sales representatives had used catalogues and brochures at furniture fairs to represent that De Angeli was the distributor of the brand “OM”. It was also represented that De Angeli was a wholesaler and able to offer sofas at much lower prices and better quality.

De Angeli relied largely on the testimonies of its proprietor, Tan Eng Koon and his wife, the marketing

Momentum Creations Pte Ltd v Tan Eng Koon t/a De Angeli

Suit No 787 of 2000/Z

In the High Court of Singapore

Before Judicial Commissioner

Woo Bih Li

June 2001

manager. They claimed that the designs for the 4 items were obtained from the perusal of foreign brochures and overseas trade exhibitions. JC Woo did not find their testimonies credible.

He found that De Angeli had copied the design from Momentum's OM range of furniture, regardless of whether Momentum had copied the designs themselves.

The Law

De Angeli submitted that in order for Momentum to prove their case, it was necessary for the plaintiffs to show that they had an exclusive right to the names "OM", "Case", "Globe", "Catena" and "Graves". This would then establish valuable goodwill in the names. It was also submitted that Momentum had to prove that they had an exclusive right to the design of the four items of furniture so that they could claim monopoly over these designs. The learned JC rejected these arguments.

The learned JC referred to the English House of Lords case, *Erven Warnink v Besloten Vennootschap & another v J Townsend & Sons (Hull) Ltd & anor [1979] AC 731*, and held that exclusivity was no longer a requirement to establish passing-off.

JC Woo also referred to the Singapore Court of Appeal decision in *Tessensohn v John Robert Powers School Inc [1994] 3 SLR 308* where Lord Oliver's judgment in the House of Lords in *Reckitt & Colman Products v Borden Inc (1990) 1 W.L.R. 491* was quoted, with approval, as establishing the "three essential elements to the tort of passing-off:

- (1) goodwill attached to the plaintiff's goods or services,
- (2) a misrepresentation that the plaintiff's goods or services are the defendant's; and
- (3) damage to the plaintiff's goodwill as a result of the misrepresentation."

Decision

1. Goodwill

JC Woo affirmed the definition of goodwill as cited by Prakash J. in *Future Enterprises Pte Ltd v Tong Seng Product Pte Ltd [1998] 1 SLR 1012* as the "benefit and

advantage of the good name, reputation and connection of a business”.

In order to establish goodwill, there must be a:

- (1) business trade or calling;
- (2) power of attraction, which draws the customers to buy the goods;

It was noted that goodwill is territorial; it only exists where the trade exists.

The court found that there was goodwill based on evidence of significant advertising. The defendant's submission that the absence of a market survey suggested the lack of goodwill for OM furniture was rejected. JC Woo held that *“in any event, the use of OM leaflets by the sales representatives of De Angeli speaks for itself”*.

He also clarified that the existence of goodwill should not be confused with the value of goodwill. Hence evidence of sales invoices for only 5 months was not detrimental to Momentum's case. Further the fact that the plaintiffs relied on goodwill only in the “OM” mark and not the four names “Case”, “Globe”, “Catena” and “Graves” was not fatal to their claim as the 4 items were marketed under the “OM” mark.

2. *Misrepresentation*

The learned JC found that there was misrepresentation to the public based on the leaflets used by the defendant, the active representations of the sales representatives supported by video recordings of the private investigators, the copying of the OM designs and the use of the same names, “Case”, “Globe”, “Catena” and “Graves”.

3. *Damage*

On the evidence adduced, JC Woo found damage to Momentum's goodwill.

4. *Conclusion*

The High Court held that there was passing-off and gave judgment in favour of Momentum. The High Court granted an injunction to restrain De Angeli from -

- (1) using Momentum's leaflets and the names of Momentum's 4 items of furniture in the sale of furniture by De Angeli; and
- (2) making any representation that that the 4 items of furniture sold by De Angeli are from the same manufacturer or supplier as Momentum's manufacturer or supplier or that De Angeli was in any way connected with them.

Finally, De Angeli was ordered to account to Momentum for profits arising from the sale of furniture that was similar to Momentum's 4 items of furniture.

Internet Defamation

Facts

The plaintiff, Joseph Gutnick, sued Dow Jones & Company Inc. in Victoria, Australia for alleged defamatory material published on the Internet. The plaintiff is a prominent Australian businessman with a reputation in philanthropic, sporting and religious circles.

The defendants are the publishers of the Wall Street Journal and Barrons Magazine. Barrons Magazine is a business and financial journal that is also published on the Internet as Barrons Online, which is available online by subscription only. There is no website in the name of Barrons, and Barrons Online is accessed through the defendants' website using the name "wsj.com". The defendants' web server is located in New Jersey, USA.

The plaintiff commenced proceedings against the defendants in respect of a portion of an article appearing in the defendants' Barrons publication entitled "*Unholy Gains*". According to the plaintiff, the article had alleged that he was the biggest customer of a certain gaoled money-launderer and tax-evader, Nachum Goldberg, and that the words relied on imputed that he was masquerading as a reputable citizen when he was a tax evader who had laundered large amounts of money through Goldberg, and had bought his silence.

The plaintiff had effected service of proceedings out of jurisdiction in USA. In response, the defendants applied to stay proceedings on grounds, *inter alia*, that the courts in Victoria had no jurisdiction to hear the matter because publication took place in New Jersey.

Joseph Gutnick vs. Dow Jones & Company Inc.

In the Supreme Court of Victoria at Melbourne

Before Hedigan J.

June 4-7, August 28, 2001

[2001] VSC 305

The main issue before Hedigan J. in the Supreme Court of Victoria was whether defamatory material on the Internet was published in New Jersey, USA or Victoria, Australia.

Arguments

During the course of proceedings, the defendants made a formal admission that several hundred subscribers to wsj.com were from Victoria and that they included significant persons from the financial, business and stock broking community, some of whom the Court could infer, for the purposes of these proceedings, as having downloaded the article.

On the question of jurisdiction, the defendants alleged that the online article was not published in Victoria but in New Jersey, the location of the defendants' web server.

The defendants' case was that publication occurred when defamatory material was delivered to a third party. While the article sat in the web server, it was not delivered. The article was published when it was pulled from the web server in New Jersey by a request emanating from a web browser in Victoria. Therefore, publication and delivery took place in New Jersey and not Victoria.

The defendants further argued that downloading was a result of an independent action for which the defendants could not be held responsible. They argued that those seeking access to the website were "*publishing it to themselves*".

The plaintiff argued that actionable publication did not occur unless and until a defamatory meaning was conveyed to a third party. Therefore, there was no publication in New Jersey because no defamatory meaning was conveyed to the minds of anyone in New Jersey, and no damage occurred there. The article was only published when it was made intelligible to a third party.

The plaintiff also argued that downloading was a calculated and intended consequence of the defendants procuring subscribers to its website from Victoria and placing the article on its Web server. The article was published to existing or new subscribers to the defendants' website and the defendants had the

capacity to prevent publication of the matter to them. It was fallacious to argue that the defendants were not responsible for any downloading in Victoria.

Decision

After considering the arguments of the parties, the learned Judge held that:

1. On the question of jurisdiction, the critical issue was where and by whom the article was published for the purposes of the law of defamation.
2. The law of defamation has long held that publication takes place where and when the contents of the publication are made manifest to and comprehended by the recipient. Thus delivery without comprehension is insufficient to make out publication. Accordingly, the article was published in Victoria when downloaded by the defendants' subscribers who had met the payment and performance conditions and by the use of their passwords. The defendants had intended that only those subscribers who met their requirements would be able to access them, and intended that they should.
3. On the question of the defendants' submissions that those who pull the material from the web browser published the article for themselves, the argument confuses acquisition and publication. There is only publication when it is published to a third party.
4. The web server is a participant in the process of publication. It is not just a repository. Its pull technology only operates on the defendants' terms and it is the web server that opens when the browser request is made.
5. The response from the web server in the form of electronic bursts entered into cyberspace in New Jersey in the same nanosecond it arrived in Victoria. For the law's purposes this phenomenon was not a divisible operation. If understanding or comprehension of the message was not a feature of publication, as the defendants claim, and that the act of delivery was the essential characteristic of publication, the better view would be that the information was published in both places at the same time. Thus, it was as much published and

delivered in Victoria as it was sent for delivery from New Jersey.

Therefore, Hedigan J. held that the State of Victoria had jurisdiction to try the proceedings brought by Joseph Gutnick.

*This Intellectual Property News is intended merely to highlight and inform on issues.
It does not constitute legal advice. Each case is different.
If you have any questions on issues reported here or on other areas of law,
please do not hesitate to contact us at Drew & Napier LLC .*