# Total English Learning Global Pte Ltd and anor *v* Kids Counsel Pte Ltd [2013] SGHCR 22

**Case Number** : Suit No 420 of 2013 (Summons No 3218 of 2013)

**Decision Date** : 12 September 2013

**Tribunal/Court** : High Court

**Coram** : Justin Yeo AR

**Counsel Name(s)** : Mr Mark Goh (Mark Goh & Co) for the Plaintiffs; Mr Wong Siew Hong, Ms Poonaam Bai and Ms Jolin Lin (Eldan Law LLP) for the Defendant.

**Parties** : Total English Learning Global Pte Ltd and anor — Kids Counsel Pte Ltd

*Copyright – Infringement*

*Civil Procedure – Pleadings – Striking Out*

*Tort – Conversion*

*Trade Marks and Trade Names – Infringement*

12 September 2013

**Justin Yeo AR:**

1 This is an application by Kids Counsel Pte Ltd ("the Defendant") to strike out the Statement of Claim filed by Total English Learning Global Pte Ltd ("the First Plaintiff") and Total English Learning International Pte Ltd ("the Second Plaintiff") (collectively, "the Plaintiffs") pursuant to O 18 rr 19(1)(b) and/or 19(1)(d) of the Rules of Court (Cap 322, R 5, 2006 Rev Ed) ("Rules of Court") for being scandalous, frivolous or vexatious and/or an abuse of process. In the alternative, the Defendant seeks to strike out portions of the Plaintiffs' Statement of Claim in relation to certain aspects of alleged trade mark and copyright infringement, pursuant to O 18 rr 19(1)(a) and/or 19(1)(d) of the Rules of Court for disclosing no reasonable cause of action and/or being an abuse of process.

**Background**

2 The Plaintiffs are the franchisers of the "I Can Read!" ("ICR") system, which consists of an educational programme and educational materials developed to address all aspects of English literacy. The ICR system was designed by a company in Australia known as Total Literacy (Australia) Pty Ltd, and was created through the efforts of more than twenty years of research by Australian educational psychologists.

3 The First Plaintiff claims to be the registered proprietor of two trade marks in Singapore:

(a) Trade Mark Number T0518206C in Class 16 for paper goods and art material ("the Class 16 Trade Mark"); and

(b) Trade Mark Number T0518207A in Class 41 for educational services and reading instruction ("the Class 41 Trade Mark").

4 The Second Plaintiff claims to be the assignee of "all other intellectual property rights including all copyrights" by a Deed of Assignment dated 19 July 2012, and on that basis is a co-plaintiff in the present suit. The Second Plaintiff is supposedly the owner of copyrights in various artistic, literary and musical works relating to the ICR system, as listed in Annex A to the Statement of Claim ("the Copyright Material").

5 The Defendant is one of the franchisees of the ICR system pursuant to a franchise agreement with the Plaintiffs ("the Franchise Agreement"), and runs the franchise at 1 Goldhill Plaza #01-31/33 Singapore 308899 ("the Goldhill Centre"). The Defendant bought the business in 2005 from one Chong Yeou Foo ("Chong"), when Chong entered into the Franchise Agreement in October 2002. The Franchise Agreement was for an initial term of 10 years with an option to renew for a further period of five years.

6 The Defendant's current principal director and shareholder is one Lum Wai Onn ("Lum"), who acquired the Defendant's shares in 2008. When taking over the Defendant, Lum allegedly met with one Allston Boyer Parkinson ("Parkinson") – then the managing director of Total Literacy (Singapore) Pte Ltd ("TLS") – and requested that the Franchise Agreement be varied, and that the 10-year period of the Franchise Agreement be waived. Lum alleges that Parkinson agreed to the request and confirmed the variation. He points to an undated piece of paper, supposedly signed in August 2008, to substantiate this claim. Lum also alleges that from 2008 to 2012, he had requested for the variation of the Franchise Agreement and waiver of the period of the same to be formalised with Parkinson and TLS. Lum claims that as a result of the assurances and representations given by TLS and the Plaintiffs' representatives, he took no action to extend the Franchise Agreement, whether under Clause 4 of the Franchise Agreement or otherwise.

7 In December 2012, the Plaintiffs issued a letter of demand alleging that the Franchise Agreement had expired. In the Plaintiffs' view, the Defendant was using the ICR system without authorisation and had therefore infringed the Plaintiffs' trade marks and copyrights.

8 On 2 January 2013, the parties entered into a Non-Disclosure Agreement ("NDA") for the purposes of negotiating the sale of the Defendant's business to the Plaintiffs. Clause 8 of the NDA stated that the NDA:

> … shall remain in effect until the earlier of: (i) termination by written agreement of both parties, or (ii) twelve months from the date written above.

9 The Defendant remains listed on the Plaintiffs' website as an authorised ICR centre. The Plaintiffs continue to supply materials to the Defendant and to collect royalties from the Defendant. The Defendant also remains on the Plaintiffs' email distribution list for operation matters. Indeed, the Defendant continues to run the franchise at Goldhill Centre and continues to use the Plaintiffs' teaching materials.

10 The Plaintiffs commenced the present action on 8 May 2013 based on four causes of action, namely:

(a) Expiration and Breach of the Franchise Agreement (paragraphs 13-15 of the Statement of Claim);

(b) Copyright infringement pursuant to ss 31 read with 26(1)(a)(iv) of the Copyright Act (Cap 63, 2006 Rev Ed) ("Copyright Act") (paragraphs 16-19 of the Statement of Claim);

(c) Trade mark infringement pursuant to s 27(1) of the Trade Marks Act (Cap 332, 2005 Rev Ed) ("Trade Marks Act") (paragraphs 20-22 of the Statement of Claim); and

(d) Conversion of the Copyright Material (paragraphs 23-26 of the Statement of Claim).

11 Over the course of two hearings, many arguments were raised by both counsel, *viz* Mr Wong Siew Hong ("Mr Wong") for the Defendant and Mr Mark Goh ("Mr Goh") for the Plaintiffs. At the conclusion of the first hearing on 5 July 2013, I directed further submissions on several issues that counsel had not addressed me on in sufficient detail. However, having perused the further submissions, there still remained several factual and legal points which remained unclear. I thus sought further clarity from the parties at the second hearing on 24 July 2013. At that hearing, *inter alia*, Mr Goh agreed to take out an application to amend paragraph 22 of the Statement of Claim to make reference to s 27(1) (*contra* s 27(2)(a)) of the Trade Marks Act. At the conclusion of the second hearing, I directed parties to cross swords in a final round of submissions on several specific legal and factual issues. To this end, the framing of the precise issues was agreed upon by both parties, and filed in court on 2 August 2013. The filing of the final round of submissions was delayed as Mr Goh needed to confirm the Plaintiffs' factual position on some of the issues.

**Issues before this court**

12 Mirroring the four causes of action (see [10] above), there are four issues before this court:

(a) First, whether the NDA and/or the Plaintiffs' actions subsequent to 2 January 2013 created a moratorium such that it would be scandalous, frivolous or vexatious and/or an abuse of process for the Plaintiffs to sustain the present action against the Defendant ("Issue 1");

(b) Second, whether the conduct of the Defendant pleaded in paragraphs 16 to 19 of the Statement of Claim qualifies as an infringement of copyright under ss 31 read with 26 of the Copyright Act ("Issue 2");

(c) Third, in relation to the Class 16 Trade Mark, whether the conduct of the Defendant pleaded in paragraphs 20 to 22 of the Statement of Claim, constitute an infringement pursuant to s 27(1) of the Trade Marks Act ("Issue 3"); and

(d) Fourth, whether the Plaintiffs' claim of conversion of the Copyright Material, as pleaded in paragraphs 23 to 26 of the Statement of Claim, discloses a reasonable cause of action ("Issue 4").

13 Before I turn to address each of the issues, it bears reiteration that only plain and obvious cases should be struck out. The power to summarily strike out a claim or part of a claim "should not be exercised by a minute and protracted examination of the documents and facts of the case in order to see if the plaintiff really has a cause of action" (*Gabriel Peter & Partners v Wee Chong Jin* [1997] 3 SLR(R) 649 ("*Gabriel Peter*") at [18]). The court hearing the striking out application must be very careful not to "usurp the position of the trial judge", and to avoid conducting "a trial in chambers, on affidavits only, without discovery and without oral evidence tested by cross-examination in the ordinary way" (*The Tokai Maru* [1998] 2 SLR(R) 646 ("*The Tokai Maru*") at [44]).

14 It is also trite that insofar as O 18 r 19(1)(a) of the Rules of Court is concerned (*viz* "no reasonable cause of action"), so long as the statement of claim discloses some cause of action or raises some question fit to be decided by the court, the mere fact that the case is weak and not likely to succeed is no ground for striking it out (see *Singapore Civil Procedure 2013* vol 1 (G P Selvam

gen ed) (Sweet & Maxwell Asia, 2013) ("*Singapore Civil Procedure*") at paragraph 18/19/10, citing numerous cases including *Gabriel Peter* and *The Tokai Maru*). Evidence is not admissible for the purposes of a claim under O 18 r 19(1)(a) of the Rules of Court (see O 18 r 19(2) of the Rules of Court; and see *Singapore Civil Procedure* at paragraph 18/19/5), because any question under O 18 r 19(1)(a) of the Rules of Court is essentially a question of law, and the pleaded facts are presumed to be true in favour of the claimant for the purposes of the application (*Tan Eng Khiam v Ultra Realty Pte Ltd* [1991] 1 SLR(R) 844).

**Issue 1: Moratorium**

15 The first category of arguments raised by Mr Wong related to his application to strike out the entire Statement of Claim. He argued that the bringing of the claim was an abuse of process because:

(a) the NDA created an implied forbearance to sue, or an implied extension of the Franchise Agreement;

(b) the Plaintiffs had acted as if the Franchise Agreement remained in force, and such actions indicate that the Plaintiffs had waived the expiry of the Franchise Agreement; and

(c) the Plaintiffs' actions subsequent to 2 January 2013 means that the Plaintiffs are estopped from asserting that the Franchise Agreement had lapsed.

16 Mr Goh responded by arguing that there could be no moratorium raised by the NDA because the Defendant had not shown either (a) that the Plaintiffs had promised the Defendant not to sue (*ie* promissory estoppel); or (b) that looking at the NDA, there could be gleaned a "shared assumption" that the parties will not sue (*ie* estoppel by convention).

17 Issue 1 can be quickly dismissed of. In my view, a striking out application is not the proper forum to determine whether the NDA and/or the Plaintiffs' actions subsequent to 2 January 2013 created a moratorium. There are many factual issues which can only be determined properly at trial. Mr Goh highlighted the purported agreement to perpetuate the term of the Franchise Agreement, pointing out factual issues such as the absence of the names of parties, that the only date available was a 2005 date (which was far earlier than the material time of the dispute) and so on. Mr Goh also went through a series of documents exhibited in various affidavits to demonstrate that the conduct of the parties suggested that there was no forbearance to sue, promissory estoppel, or waiver.

18 As such, based on the principles reiterated in [13] above, I decline to strike out the entire Statement of Claim on the grounds that it is scandalous, frivolous or vexatious and/or an abuse of process.

**Issue 2: Copyright infringement via "communicating to the public"**

19 Mr Wong argued for the striking out of paragraphs 16 to 19 of the Statement of Claim on the grounds that they disclose no or no reasonable cause of action under O 18 r 19(1)(a) of the Rules of Court, or that they constitute an abuse of process under O 18 r 19(1)(d) of the Rules of Court. Of particular relevance is paragraph 17 of the Statement of Claim, which alleges that the Defendant had communicated and authorised the communication of the Copyright Material in Singapore:

17. The Defendant has without the license or consent of the Second Plaintiff and for the purpose of trade, infringed the Second Plaintiff's copyright by *communicating and authorising the communication of in a material form*, and distributed in Singapore the Copyright Material to the

public to an extent that prejudicially affects the Second Plaintiff.

**Particulars**

a. Upon a date or dates which the Second Plaintiff cannot specify until after discovery but which was before the issue of the writ herein, the Defendant had infringed the Copyright Material by using the Second Plaintiff's Copyright Material in the operation of their franchise at Goldhill Plaza as part of their trade without the consent or authorisation of the Second Plaintiff.

b. To-date, the Defendant is still carrying out these actions in breach of the Second Plaintiff's Copyright Material.

c. The Second Plaintiff is unable to give full particulars of each and every act of infringement committed by the Defendant until after discovery herein but will seek a remedy in respect of each and every such infringement at trial.

[emphasis added]

20 Mr Wong argued that there can be no copyright infringement under ss 26(1)(a)(iv) and 26(1)(b)(iii) of the Copyright Act because there was no allegation of any electronic transmission of the Copyright Material. He also contended that there can be no copyright infringement because there is no allegation in the Statement of Claim that the Defendant had reproduced the Plaintiffs' materials, and as such, the materials used by the Defendant had been made by or with the license and consent of the Plaintiffs.

21 Mr Goh responded by arguing that with regard to the copyright infringement claim, the Plaintiffs' case is not based on "copying", but rather "communicating to the public". In Mr Goh's view, the word "communicate" includes the "making available of a work", and should not be limited to the "narrow interpretation" suggested by the Defendant. Mr Goh asserted that the Defendant had actively initiated "communication" by distributing the Copyright Material to its students at the Goldhill Centre.

***The law***

22 The language of paragraph 17 of the Statement of Claim (*viz*, "communicating and authorising the communication of in a material form") references ss 26(1)(a)(iv) and 26(1)(b)(iii) of the Copyright Act, which provide as follows:

**Nature of copyright in original works**

26.—(1) For the purposes of this Act, unless the contrary intention appears, copyright, in relation to a work, is the exclusive right —

(a) in the case of a literary, dramatic or musical work, to do all or any of the following acts:

…

(iv) *to communicate the work to the public*;

…

(b) in the case of an artistic work, to do all or any of the following acts:

…

(iii) *to communicate the work to the public*; and

…

[emphasis added]

23 The word "communicate" is defined in s 7(1) of the Copyright Act as follows:

"communicate" means to *transmit by electronic means* (whether over a path, or a combination of paths, provided by a material substance or by wireless means or otherwise) a work or other subject-matter, whether or not it is sent in response to a request, and includes —

(a) the broadcasting of a work or other subject-matter;

(b) the inclusion of a work or other subject-matter in a cable programme; and

(c) the making available of a work or other subject-matter (on a network or otherwise) in such a way that the work or subject-matter may be accessed by any person from a place and at a time chosen by him,

and "communication" shall have a corresponding meaning;

[emphasis added]

24 As alluded to in [21] above, Mr Goh contended that the term "communicate" (in s 7(1) of the Copyright Act) and the phrase "to communicate the work to the public" (in ss 26(1)(a)(iv) and 26(1)(b)(iii) of the Copyright Act) are not limited to communication via electronic transmission. First, he pointed to *RecordTV Pte Ltd v MediaCorp TV Singapore Pte Ltd and others* [2011] 1 SLR 830 ("*RecordTV*") at [34] and argued that the Court of Appeal did not limit the term "communicate" to transmission by electronic means. Second, he emphasised that sub-paragraph (c) of the definition of "communicate" in s 7(1) of the Copyright Act is broadly phrased as "the making available of a work or other subject-matter". In this regard, he cited Susanna Leong, *Intellectual Property Law of Singapore* (Academy Publishing, 2013) ("*Intellectual Property Law of Singapore*") at paragraphs 08.163 and 08.164, where the learned author states:

08.163 Unlike an act of communication/transmission by electronic means which conceptually envisages both a point of emission and a point of reception, there is only one point of reference in relation to the act of "making available".

08.164 According to section 7(1) of the Copyright Act, a work is made available to the public once members of the public can access the work from a place and at a time individually chosen by them. Thus, the process of "making available" is arguably "complete as soon as the act of providing access to the work in question is performed". …

25 I disagree with Mr Goh. In my view, the term "communicate" and the phrase "to communicate the work to the public" are limited to communication via *electronic transmission*, for the following four reasons.

26 First, on a textual interpretation of s 7(1) of the Copyright Act, the overarching concept contained therein is evident from the phrase "to transmit by *electronic means*" [emphasis added]. The parenthetical elaboration to that phrase further buttresses this view, as it specifies that such transmission may take the form of "a path, or a combination of paths, provided by a material substance or by wireless means or otherwise". Although Mr Goh argued that the phrase "making available of a work" in sub-paragraph (c) of the definition, read on its own, suggests a somewhat broader position, sub-paragraph (c) must clearly be read *in the context of* the parent paragraph that both *qualifies* and *confines* it. Furthermore, it should be noted that sub-paragraph (c) itself also qualifies that the "making available" may be done "on a *network* or otherwise" [emphasis added], thus further buttressing the view that the definition of "communicate" was clearly intended to be limited to electronic transmission.

27 In this regard, I note that while Mr Goh observes that the Court of Appeal in *RecordTV* at [34] did not make any pronouncements limiting the ambit of "communicate" to the context of electronic transmissions, this does *not* in any way suggest that the Court of Appeal had in fact adopted or endorsed a wider definition of "communicate" than that suggested by s 7(1) of the Copyright Act. Indeed, on the facts of *RecordTV*, it is clear that the dispute was with regard to *electronic transmission* of material, as it was concerned with time-shifting technology that allowed subscribers to record (and subsequently watch) free-to-air videos on certain devices. Indeed, the paragraph cited by Mr Goh (*viz RecordTV* at [34]) itself made reference to Article 8 of the World Intellectual Property Organization Copyright Treaty adopted in Geneva on 20 December 1996 ("WIPO Copyright Treaty") (fuller treatment of which is found at [31]-[34] below). The Court of Appeal had also noted (in [34]) that the "making available" of a work was intended to deal with situations where transmissions were initiated by recipients rather than communicators. The paragraph must therefore be read in context.

28 Second, there is clear legislative intent that "communicate", in the context of the Copyright Act, ought to be limited to transmission by electronic means. Sections 26(1)(a)(iv) and 26(1)(b)(iii) of the Copyright Act were introduced in 2004 and were intended to grant copyright owners control of their works via the Internet. This was expressly stated during the Second Reading of the Copyright (Amendment) Bill (*Singapore Parliamentary Debates, Official Report* (16 November 2004) vol 78 at col 1041 (Professor S Jayakumar, Deputy Prime Minister and Minister for Law)):

> First, new *right of communication for works*. Sir, the *Internet* is becoming an increasingly important platform through which copyright owners promote and disseminate their copyrighted works. Such *digital dissemination* of works has become the basis for businesses such as home-grown music distributor Soundbuzz. Clause 8 of the Bill introduces a new right to enable the copyright owner to control the communication of his work to the public. *This new communication right encompasses both the existing broadcasting and cable programme rights, and also the right to control the dissemination of works on the Internet*. This new right will enable copyright owners or other entrepreneurs to *fully leverage on the Internet platform as a means to disseminate copyrighted material*. [emphasis added]

29 This understanding is supported in Ng-Loy Wee Loon, *Law of Intellectual Property of Singapore* (Sweet & Maxwell, 2nd Ed, 2009) at paragraph 9.5.3, where the learned author, citing *inter alia* the Second Reading of the Copyright (Amendment) Bill, observed that:

> … Under the old regime, it was not entirely clear whether *copyright owners could control dissemination of their works on the Internet* (without having to resort to the right of reproduction). There was speculation that unauthorised dissemination infringed the then available

broadcasting and cablecasting rights, or the publication right. The new right of communication to the public, is aimed at resolving this ambiguity. In particular, paragraph (c) in the definition of 'communication' is *clearly targeted at the very act of dissemination of the copyright work on the Internet*. [emphasis added]

30 It should be added that despite Mr Goh's citation of Associate Professor Susanna Leong's text (see [24] above), a further excerpt from the same paragraph where Mr Goh ended the quote suggests that the learned author conceived of the communication right as being one related to electronic transmission (*Intellectual Property Law of Singapore* at paragraph 08.164):

> … Thus, a content provider who uploads digital content onto a web server would have made the requisite information available to the public at the point, regardless of the subsequent number of recipients and their location. If that person had not obtained prior approval for these acts, they would be in breach of the copyright owner's exclusive right of making available to the public; a right which is included within the broader communication right under the Copyright Act.

31 Third, the definition of "communicate" in s 7(1) of the Copyright Act is in substance the same as that in Article 8 of the WIPO Copyright Treaty, which is limited to transmission on digital networks. Indeed, Article 8 of the WIPO Copyright Treaty was implemented in Singapore legislation in the form of s 7(1) of the Copyright Act (see *RecordTv* at [33]).

32 Article 8 of the WIPO Copyright Treaty provides:

> … authors of literary and artistic works shall enjoy the exclusive right of authorizing any *communication to the public* of their works, by *wire or wireless means*, including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them. [emphasis added]

33 Article 8 of the WIPO Copyright Treaty was conceived of as a response to the challenges of digital technology, and in particular, the Internet. In a publication by the World Intellectual Property Organization – the *Intellectual Property Handbook: Policy, Law and Use* (World Intellectual Property Organization, 2nd Ed, 2004) ("*WIPO Handbook*") – the development of Article 8 of the WIPO Copyright Treaty is described under the heading "Transmission on Digital Networks". Paragraphs 5.225 and 5.226 of the *WIPO Handbook* read:

> ***Transmission on Digital Networks***
>
> …
>
> 5.225 A specific solution was therefore adopted, which provided that the act of digital transmission should be described in a neutral way, free from specific legal characterization; that such a description should not be excessively technical and, at the same time, should convey the interactive nature of digital transmissions; that, in respect of legal characterization of the exclusive right — that is, in respect of the actual choice of the right or rights to be applied — sufficient freedom should be left to national legislation; and, finally, that the gaps in the Berne Convention in the coverage of the relevant rights — the right of communication to the public and the right of distribution — should be covered. This solution was referred to as the "umbrella solution."
>
> 5.226 The [WIPO Copyright Treaty] applies this "umbrella solution" by extending applicability of the right of communication to the public to all categories of works, and clarifies that that right

> also covers transmissions in interactive systems described in a manner free of legal characterization. Thus Article 8 of the Treaty reads as follows: "Without prejudice to the provisions of Articles 11(1)(ii), 11*bis*(1)(i) and (ii), 11*ter*(1)(ii), 14(1)(ii) and 14*bis*(1) of the Berne Convention, authors of literary and artistic works shall enjoy the exclusive right of authorizing any communication to the public of their works, by wire or wireless means, including the making available to the public of their works in such a way that members of the public may access these works from a place and at a time individually chosen by them." It was stated in the Diplomatic Conference that Contracting Parties are free to implement the obligation to grant an exclusive right to authorize such "making available to the public" also through the application of a right other than the right of communication to the public or through the combination of different rights. By the "other" right, first of all, the right of distribution was meant, but "other" right might also be a specific new right such as that of making available to the public as provided for in Articles 10 and 14 of the [WIPO Performances and Phonograms Treaty].

34 That the definition of "communication" was meant to be carefully circumscribed is also evident from the "Agreed Statements Concerning the WIPO Copyright Treaty" adopted by the Diplomatic Conference on 20 December 1996, which provides that (see also paragraph 5.227 of the *WIPO Handbook*):

> **Concerning Article 8**
>
> It is understood that the mere provision of physical facilities for enabling or making a communication does not in itself amount to communication within the meaning of this Treaty or the Berne Convention. It is further understood that nothing in Article 8 precludes a Contracting Party from applying Article 11*bis*(2).

35 Fourth, it is apposite to also consider the meaning of "communicate" in the Australian context, given that the Copyright Act is adopted from Australia's Copyright Act 1968. Australia – which is also a signatory to the WIPO Copyright Treaty – amended the Copyright Act 1968 via the Copyright Amendment (Digital Agenda) Act 2000, introducing a new exclusive right "to communicate the work to the public". The definition of "communicate" is found in s 10 of the Copyright Act 1968:

> "communicate" means make available online or electronically transmit (whether over a path, or a combination of paths, provided by a material substance or otherwise) a work or other subject-matter, including a performance or live performance within the meaning of this Act.

36 The word "communicate" is here, once again, clearly and specifically related to electronic transmissions. In *Copyright Agency Limited v Queensland Department of Education* [2007] FCAFC 124, the Federal Court of Australia held (at [17]) that "communication" is not relevant to works that are in hardcopy or analog form because "communication" refers to a *making available online* of a work or an *electronic transmission* of a work, and a work must be in electronic form if it is to be made available online or if it is to be electronically transmitted pursuant to the definition as set out in s 10 of the Australia Act 1968.

37 That the definition of "communicate" ought to be limited to electronic transmission is also evident from *Roadshow Films Pty Limited v iiNet Limited* [2011] 194 FCR 285, where the Federal Court of Australia interpreted "communicate" as follows (at [660]-[662]):

> 660 The definition of communicate in s 10 has two limbs each of which encompasses a different type of activity.

661 The first limb, which consists of making available online, covers a situation where *a person makes a film available on the internet*. How widely the film is made available is relevant only to the question of whether it is made available to the public. The act of communication by making available online does not require that there be any actual communication in the ordinary sense of that word. A person who uses a computer to *make a film available online* "communicates" it for the purpose of s 86(c) whether or not it is transmitted to or accessed by any other person.

662 In the case of the second limb of the definition, which uses the expression "to electronically transmit", there must be an *electronic transmission of the film*. But here again, the definition of communicate does not require that the electronic transmission be made to another person in the ordinary sense of that word. There is no requirement that the transmission be received by any person within or outside Australia. *All that is required is that there be an electronic transmission.*

[emphasis added]

38 As such, for the foregoing reasons, I find that the term "communicate" and the phrase "to communicate the work to the public" are limited to communication via *electronic transmission*.

***Application to the facts***

39 Paragraph 17 of the Statement of Claim alleges that the Defendant had communicated and authorised the communication in a material form of the Copyright Material in Singapore (see [19] above). Other than defending his view that the definition of "communicate" should not be limited to the context of electronic transmissions, Mr Goh also indicated in his submissions, citing Annex A to the Statement of Claim, that *in addition* to the books and worksheets, the following items were copyright material "made available at the Defendant's Goldhill Centre":

(a) Under the "Little Bears (LBC)" at page 15 of the Statement of Claim at item 23, compact discs are made available;

(b) Under the "Primary English Programme (PEP)" at page 23 of the Statement of Claim at item 5, audio files are made available;

(c) Under the "Holiday Programmes" at page 24 of the Statement of Claim at item 3, performances are performed; and

(d) Under the "Advanced Writing & Exam Skills (AWES)" at page 27 of the Statement of Claim at item 1, there are "internet excerpts of the various lessons".

40 With regard to item (d) in the list above, Mr Goh's submission that "there are internet excerpts of the various lessons" is ambiguous, especially given that Annex A to the Statement of Claim actually states that the lessons are either "written by Annabel & Rosary with excerpts *from* Internet", "*from* Internet" or "original with excerpts *from* Internet" [emphases added]. In view of the word "from", it was unclear to me whether this meant that the lessons were written with excerpts *from* the Internet, or whether the Defendant had *placed excerpts of the lessons on the Internet*. In any case, it should be noted that Annex A is merely a schedule of the Copyright Material allegedly owned by the *Plaintiffs*. It has nothing to do with any allegedly *infringing* acts done by the *Defendant*. As such, at the second hearing, I asked Mr Goh to clarify the position being taken *vis-à-vis* the four items. In the eventual agreed list of issues that counsel had filed in court on 2 August 2013, it was specifically queried as follows:

> … is it the Plaintiff's position that the matters referred to in the Plaintiffs' Further Written Submissions at para 8 are examples of "transmi[ssion] by electronic means"?

41 Unfortunately, in the written submissions that followed, Mr Goh *did not* provide any clarity on the question just mentioned. He merely maintained his view that the word "communicate" in s 7(1) of the Copyright Act did not only encompass electronic transmission, a view which I have disagreed with (see [25]-[38] above).

42 In my view, paragraphs 16 to 19 of the Statement of Claim, and in particular paragraph 17 thereof, severely lack particulars of any copyright infringement via "communication". There is a total lack of clarity as to what acts of "communication" are being alleged, and as such, it is impossible to determine – based on the current state of the Statement of Claim – whether there is any reasonable cause of action as those paragraphs presently stand.

43 However, I note that even a serious want of particularity in a pleading may not justify striking it out on the ground that there is no reasonable cause of action if, *inter alia*, the defect can be remedied through an order that the pleadings be amended (see, for instance, *Singapore Civil Procedure* at paragraph 18/19/10, citing *British Airways Pension Trustees Ltd v Sir Robert McAlpine* 72 BLR 26).

44 As such, I order the Plaintiffs to amend paragraphs 16 to 19 of the Statement of Claim, and in particular paragraph 17 thereof, to provide better particularisation of the copyright claim concerning the "communicating and authorising the communication of [the Copyright Material] in a material form".

**Issue 3: Infringement of the Trade Marks Act**

45 I turn now to Issue 3, *viz* whether – in relation to the Class 16 Trade Mark – the conduct of the Defendant pleaded in paragraphs 20 to 22 of the Statement of Claim, as well as Annex B thereto, constitute an infringement pursuant to s 27(1) of the Trade Marks Act. The said section provides as follows:

> A person infringes a registered trade mark if, without the consent of the proprietor of the trade mark, he uses in the course of trade a sign which is identical with the trade mark in relation to goods or services which are identical with those for which it is registered.

***The law***

46 It is trite that in considering infringement of s 27(1) of the Trade Marks Act, a potentially infringing use of a trade mark is *not* limited to the application of the trade mark to the goods actually being sold. A non-exhaustive list of examples of "uses" is found in s 27(4) of the Trade Marks Act as follows:

> (4) For the purposes of this section and sections 28, 29 and 31, a person uses a sign if, in particular, he —
>
> (a) applies it to goods or the packaging thereof;
>
> (b) offers or exposes goods for sale, puts them on the market or stocks them for those purposes under the sign, or offers or supplies services under the sign;
>
> (c) imports or exports goods under the sign;

(d) uses the sign on an invoice, wine list, catalogue, business letter, business paper, price list or other commercial document, including any such document in any medium; or

(e) uses the sign in advertising.

47 It is also trite that infringement under s 27(1) of the Trade Marks Act is made out only where the alleged infringer uses a sign "identical with the trade mark *in relation to goods or services* which are *identical with those for which it is registered*" [emphasis added] (see s 27(1) of the Trade Marks Act).

48 Mr Wong submitted that there can be no infringement of the Class 16 Trade Mark as any materials used by the Defendant were supplied by the Plaintiffs and the Defendant had paid for them. He also pointed out that the Plaintiffs have not alleged that the Defendant had made unauthorized goods and applied the Trade Marks onto the said unauthorized goods. As such, he contended that the Plaintiffs' rights over the Class 16 Trade Mark had clearly and plainly been exhausted under s 29 of the Trade Marks Act when the Plaintiffs supplied the goods to the Defendant.

49 At the first hearing, Mr Goh dealt only summarily with the issue of trade mark infringement. In his written submissions, all he stated was that the First Plaintiff was the registered proprietor of the Class 16 Trade Mark, and that he could not see how the Defendant could object to this fact. Based on the arguments raised at the first hearing, Mr Goh appeared to concede that the allegedly infringing goods were genuine goods produced by the Plaintiffs, but maintained that the Class 16 Trade Mark was infringed, *not* by application of the same on infringing goods, but by the fact that the Plaintiffs' consent for the Defendant to use the Class 16 Trade Mark had been withdrawn. As such, at the second hearing, both counsel proceeded on the basis that the allegedly infringing goods were genuine goods produced by the Plaintiffs. In the eventual agreed list of issues that counsel had filed in court on 2 August 2013, it was specifically queried as follows:

> Is there an infringement of a trade mark under s 27 of the Trade Marks Act if a person uses the trade mark as a badge of (correct) origin on a genuine product, and the trade mark in fact (correctly) identifies the origin of the product?

50 On the issue just mentioned, counsel crossed swords on three tiers of argument. The first tier of argument concerned whether "uses" in s 27(1) of the Trade Marks Act was limited to "trade mark use". Mr Goh contended that trade mark infringement under s 27(1) of the Trade Marks Act is not confined only to "trade mark use". Mr Goh attempted to introduce an argument along the lines of the broader approach used in the European Union (see *eg Arsenal Football Club plc v Matthew Reed* [2003] RPC 8 and *L'Oreal SA v Bellure NV* [2010] RPC 1), where the position appears to be a gradual expansion of a trade mark owner's exclusive right in a trade mark to go beyond a guarantee of trade origin. He argued that the Singapore Court of Appeal in *City Chain Stores (S) Pte Ltd v Louis Vuitton Malletier* [2010] 1 SLR 382 ("*City Chain*") left open the possibility that trade mark infringement may be established if the use of the sign affects some other trade mark functions besides the essential function of guaranteeing to consumers the origin of the goods. Mr Wong disagreed, emphasising that the narrower "trade mark use" position has been adopted in Singapore pursuant to *Nation Fittings (M) Sdn Bhd v Oystertec plc* [2006] 1 SLR(R) 712 and *City Chain*. He further pointed out that the Court of Appeal in *City Chain* had considered the broader European approach but opted to adopt a stricter approach of requiring origin-related use.

51 The second tier of argument concerned the issue of the *trade mark proprietor's consent* in the context of an infringement claim under s 27(1) of the Trade Marks Act. Mr Goh argued that so long as the proprietor of the trade mark does not consent to its use, the use of a trade mark as a badge of

(correct) origin to (correctly) identify the origin of a genuine product is itself infringing use pursuant to s 27(1) of the Trade Marks Act. Mr Wong disagreed, citing David Kitchin *et al*, *Kerly's Law of Trade Marks and Trade Names* (14th Ed, Sweet & Maxwell, 2005) ("*Kerly's*") at paragraph 14-126, where the learned authors opine that a proprietor should not have the right to stop the use of a trade mark in connection with what may be described as "the genuine goods". He also pointed to s 10(6) of the UK Trade Marks Act 1994, which provides that it is not an infringement to use a trade mark for the purpose of identifying goods or services as those of the proprietor or a licensee. While he conceded that there is no equivalent of s 10(6) of the UK Trade Marks Act 1994 in the Trade Marks Act, he argued that the position is "an obvious albeit unarticulated premise", arguing that that a proprietor should not have the right to stop the use of a trade mark in connection with genuine products, *inter alia* because there can be no deception in the context of "genuine use" (see also *Kerly's* at paragraph 14-126).

52 The third tier of argument is closely related to the second tier, and concerned s 29 of the Trade Marks Act. Section 29 of the Trade Marks Act qualifies s 27 of the Trade Marks Act as follows:

> **Exhaustion of rights conferred by registered trade mark**
>
> 29.—(1) Notwithstanding section 27, a registered trade mark is not infringed by the use of the trade mark in relation to goods which have been put on the market, whether in Singapore or outside Singapore, under that trade mark by the proprietor of the registered trade mark or with his express or implied consent (conditional or otherwise).
>
> (2) Subsection (1) shall not apply where —
>
> (a) the condition of the goods has been changed or impaired after they have been put on the market; and
>
> (b) the use of the registered trade mark in relation to those goods has caused dilution in an unfair manner of the distinctive character of the registered trade mark.

53 Mr Goh argued that s 29 of the Trade Marks Act was intended to govern situations of parallel importation of goods, curbing the rights of registered proprietors and breaking down trade barriers for the freer movement of goods, and therefore had no applicability to the present case at hand. Mr Wong disagreed, arguing that the exhaustion of rights doctrine was borne out of the need to recognise that "[w]hen a man has purchased an article he expects to have control of it…" (*Betts v Willmont* (1871) LR 6 Ch App 239 at [245]). He further argued that where one is dealing with the genuine goods of the trade mark proprietor, once the express or implied consent of the proprietor of the trade mark is obtained to put goods bearing the said trade mark onto the market in Singapore (or out of Singapore), thereafter those goods travel freely (see *Pan-West (Pte) Ltd v Grand Bigwin Pte Ltd* [2003] 4 SLR(R) 755 at [23]-[24]). He submitted that once the Plaintiffs' goods had been put onto the market by the Plaintiffs, regardless of the subsequent withdrawal of consent, the continuing use of the goods could not be an infringement of the Class 16 Trade Mark.

54 I found the first tier of argument relating to the meaning of "uses" in s 27(1) of the Trade Marks Act to be irrelevant to the issue at hand. This is because all parties agreed that the Plaintiffs' trade mark, as used by the Defendant on the allegedly infringing goods, (correctly) identified the origin of the products. In other words, the Defendant's use of the Plaintiffs' trade mark is clearly "trade mark use" in the core sense of the term, *viz* that the trade mark was used to serve an origin-related function.

55 On the second and third tiers of argument, I am inclined to take the position that there is no infringement of a trade mark under s 27(1) of the Trade Marks Act if a person uses a trade mark as a badge of (correct) origin on a genuine product, and the trade mark in fact (correctly) identifies the origin of the product. Mr Goh's attempt to limit s 29 of the Trade Marks Act to the parallel importation scenario was substantiated neither by reference to the language of the provision itself, nor to any case law authority on the issue. Be that as it may, I did not have to come to a conclusive position on this issue, for reasons that will be apparent in the following section.

***Application to the facts***

56 In the present case, the Plaintiffs did not specifically plead any infringing uses of the Class 16 Trade Mark. As the Statement of Claim presently stands, paragraph 21 of the Statement of Claim provides:

**Particulars of Infringement**

The best particulars which the First Plaintiff can give at this point in time are as follows:

a. Upon a date or dates which the First Plaintiff *cannot specify until after discovery* but which was before the issue of the writ herein, the Defendant had used the sign "I Can Read" (as registered in the First Plaintiff's aforementioned I Can Read Trade Marks) by applying the said sign to their franchise outlet located at 1 Goldhill Plaza #01-31/33 Singapore 308899, offering or exposing goods and/or services for sale under the said sign by way of the following: putting goods and/or services on the market under the said sign, exposing for sale under the said sign by way of affixing the said sign to their goods and/or services.

b. To-date, the Defendant is still carrying out these actions in breach of the First Plaintiff's I Can Read Registrations.

c. The First Plaintiff is *unable to give full particulars of each and every act of infringement committed by the Defendant until after discovery* herein but will seek a remedy in respect of each and every such infringement at trial.

[emphasis added]

57 At the first hearing, it was not apparent at all what infringing acts the Plaintiffs were alleging. It was only in Mr Goh's further submissions at the second hearing that it became apparent that – other than text books and worksheets – the Plaintiffs intended to show, at trial, that the Defendant applied the Class 16 Trade Mark to the following items as well:

(a) The Goldhill Centre's signboard;

(b) A large lightbox with the Goldhill Centre's telephone number;

(c) A printed notice to parents on the Goldhill Centre's opening hours and closure dates during the term break; and

(d) A receipt given to a student.

58 Taking these submissions at face value, the allegedly infringing uses of the Class 16 Trade Mark

*prima facie* fall within the definition of "use[s]" for the purposes of s 27(4) of the Trade Marks Act. For instance, the signboard and the lightbox appear to fall within ss 27(4)(b) and/or 27(4)(e) of the Trade Marks Act, while the printed notice and receipt appear to fall within s 27(4)(d) of the Trade Marks Act. It should be noted that in the last round of submissions, Mr Goh stated that the receipt was printed with the Plaintiffs' trade mark only upon issuance and that he would adduce evidence at trial to prove this. He further opined that this was *prima facie* proof that the Plaintiffs did not consent to the Defendant's use of the trade mark (*contra* a situation where the receipt is pre-printed with the trade mark).

59 It is also necessary to consider whether the Defendant had used the Plaintiffs' trade mark "in relation to goods or services which are identical with those for which [the Class 16 Trade mark] is registered" (see s 27(1) of the Trade Marks Act). Mr Wong argued that the Defendant had used the trade mark only in respect of services (*ie* the Class 41 Trade Mark), but that insofar as the striking out of the Class 16 Trade Mark was concerned, it was necessary to look at whether the Defendant had created any unauthorised Class 16 products. He re-emphasised that the Plaintiffs have never alleged that there was any such unauthorised creation. Indeed, he pointed out that the Defendant had deposed on affidavit that with regard to any alleged infringement of the Class 16 Trade Mark, all goods and materials used by the Defendant were supplied by the Plaintiffs and were genuine, authorised goods (see Lum's affidavit dated 14 June 2013 at paragraph 103). This contention has neither been denied in the Plaintiffs' reply affidavit (the affidavit of Chan Huang Yee dated 24 June 2013) nor by Mr Goh in his submissions.

60 Be that as it may, it had earlier been observed that evidence is not admissible for the purposes of a claim under O 18 r 19(1)(a) of the Rules of Court. On the face of the Statement of Claim as it presently stands, there are no particulars whatsoever regarding the alleged trade mark infringing acts (see [56] above). As such, and as with the copyright claim, the proper course is for the Plaintiffs to amend paragraphs 20 to 22 of the Statement of Claim to provide better particularisation of the trade mark infringement claim insofar as the Class 16 Trade Mark is concerned.

**Issue 4: Conversion of the Copyright Material**

61 I turn finally to the claim on conversion of the Copyright Material. Paragraphs 23 to 26 of the Statement of Claim state:

> Conversion of Copyright Material
>
> 23. The Second Plaintiff is the owner of the Copyright Material.
>
> 24. In or around 26 October 2012 (being the date of expiration of the Franchise Agreement), the Defendant unlawfully possessed the Copyright Material.
>
> 25. The Defendant thereafter used the Copyright Material as if it were its own in the course of trade.
>
> 26. In the premises the Defendant converted the Copyright Material for its own use and benefit and has acted in a manner inconsistent with the Second Plaintiff's superior possessory title.

62 Mr Wong argued that as there is no allegation that the Defendant had *reproduced* or *created* any copyright infringing material, it cannot be that the genuine material possessed by the Defendant suddenly became copyright-infringing material upon expiry of the Franchise Agreement. He also pointed out that as the Defendant had paid for the Plaintiffs' materials, there could be no "superior

possessory title" of the materials. Mr Goh disagreed, arguing that the Second Plaintiff was the owner of the Copyright Material, and therefore once the Franchise Agreement had expired, the Defendant's holding over of the Copyright Material constituted conversion.

63 Conversion is usually classified as a tortious cause of action, but is in reality an action "primarily … for the protection of ownership" (*Tat Seng Machine Movers Pte Ltd v Orix Leasing Singapore Ltd* [2009] 4 SLR(R) 1101 ("*Tat Seng*") at [43]). The acts which constitute conversion have not been defined with hard-edged precision, and complex rules continue to govern its application (*Tat Seng* at [45]). To succeed in a claim for conversion, a plaintiff must show that (*Antariksa Logistics Pte Ltd and others v McTrans Cargo (S) Pte Ltd* [2012] 4 SLR 250 at [44], citing numerous authorities including *Tat Seng*):

(a) it has actual possession of, or the right to immediate possession of the chattel converted;

(b) the right to sue for conversion existed at the time of the conversion; and

(c) the defendant acted in a manner inconsistent with the plaintiff's superior possessory title.

64 In my view, based on the elements of conversion which have just been briefly set out, it cannot be said that paragraphs 23 to 26 of the Statement of Claim fail to disclose any reasonable cause of action on the grounds of conversion. Mr Wong appeared to have been labouring under the impression that the Plaintiffs were claiming conversion of the intellectual property rights in the Copyright Material. In this regard, it remains unclear whether the Plaintiffs are claiming conversion of (a) the actual *material* supposedly owned by them; or (b) the *copyright* (*viz*, intellectual property) in that material; or (c) both. Whether there is a reasonable cause of action or otherwise depends very much on which interpretation is being taken by the Plaintiffs. As such, the Plaintiffs are to amend paragraphs 23 to 26 of the Statement of Claim to provide better particularisation of the claim in conversion of the Copyright Material.

**Conclusion**

65 I have declined to strike out the entire Statement of Claim for the reasons stated in [17] and [18] above. As for the specific portions of the Statement of Claim that the Defendant sought to strike out, I note that the Statement of Claim is unclear on the allegedly infringing acts for the copyright claim concerning the "communicating and authorising the communication of [the Copyright Material] in a material form" as well as the trade mark claim regarding the Class 16 Trade Mark. There is also insufficient clarity on what precisely is claimed to be the subject of conversion under the claim on conversion of the Copyright Material. Be that as it may, it is premature for me to strike out the respective claims on the ground that there is no reasonable cause of action. Instead, I order that the Plaintiffs amend the Statement of Claim to provide better particulars of the mentioned claims, without prejudice to the Defendant's right to pursue a similar striking out application in the event that the amendments still fail to disclose any reasonable cause of action. Finally, for completeness, I should add that I am of the view that there has been no abuse of process for the purpose of O 18 r 19(1)(d).

66 I will now hear parties on costs.

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