Wartsila Ship Design Singapore Pte Ltd *v* Liu Jiachun and others
[2014] SGHCR 13

Case Number : Suit No 45 of 2013

Decision Date : 02 July 2014

Tribunal/Court : High Court

Coram : Yeong Zee Kin SAR

Counsel Name(s) : Matthew Saw with Ms Teo Wen Lin (M/s Lee & Lee) for the plaintiff; Wong Siew Hong with Gavin Foo (Eldan Law LLP) for the first to eighth defendants.

Parties : Wartsila Ship Design Singapore Pte Ltd — Liu Jiachun and others

Civil Procedure – Discovery & Inspection – Supply of electronic copies

Civil Procedure – Costs – Costs shifting order

[**LawNet Editorial Note**: The plaintiff's appeal to this decision in Registrar's Appeal No 250 of 2014 was allowed by the High Court on 13 October 2014. The High Court ordered that the costs of the appeal and below are to be costs in the cause. No written grounds of decision were rendered.]

2 July 2014 Judgment reserved.

Yeong Zee Kin SAR:

1 The plaintiff is a company that is engaged in the ship design business. The fifth defendant is in the business of providing naval architectural services, particularly ship and marine structure design. The first to fourth defendants in this case were the former employees of the plaintiff. The first to third defendant incorporated the fifth defendant; they, along with the fourth defendant, are currently its employees. The sixth to eighth defendants are the wives of the first to third defendants respectively and they are also the directors and shareholders of the fifth defendant.

2 The present application is one for the re-tender of copies of ship drawings, in their native AutoCAD format, that the fifth defendant had disclosed in compliance with four discovery orders. This is not an application for discovery, but an application for supply of copies of electronic documents that had previously been ordered to be disclosed.

3 The substantive claim between parties involves, *inter alia*, issues of copyright infringement arising from a breach of employment contract. The plaintiff claims that the first defendant had downloaded a list of 1,719 drawings from them. The plaintiff also claims that the ship drawings disclosed by the fifth defendant infringes their copyright. During discovery, the fifth defendant had disclosed 1,903 drawings. Copies of these drawings were supplied to the plaintiff in PDF format on 3 occasions: ie, 9 December 2013, 8 January and 9 January 2014. On 20 February 2014, the plaintiff wrote to the defendants and requested for copies of these documents in their native AutoCAD format.

4 On 20 March 2014, the third defendant disclosed a portable hard disk belonging to the third defendant containing, *inter alia*, ship drawings in AutoCAD format. These were supplied to the plaintiff who, upon looking through the metadata of some of these documents, discovered that the date and time of creation of some of these drawings were exactly the same as those that were owned by the

plaintiff. The specific date and time is not important at this juncture except that this was a date and time in 1996, before the incorporation of the fifth defendants in 2011. Incidentally, the plaintiff has been registered since 1976; and the first to third defendants have been working for the plaintiff since 1994.

Summary of plaintiff's submissions

5 After this discovery, the plaintiff filed the present application requesting for the re-tender of all the ship drawings (that had previously been supplied by the fifth defendant in PDF format) in their native AutoCAD format, with internal metadata intact. Their submissions may be summed up in two main planks. First, the orders for discovery of these documents had already been made. Hence, the application was not meant to revisit the issue of disclosure, but to enforce their entitlement to be supplied with copies in their native format. This is because the Part V of the Supreme Court Practice Directions (the e-discovery PD) requires that copies of electronic documents be supplied in their native format with internally stored metadata. In any event, the drawings were first created and should still exist in AutoCAD format and the fifth defendants had in fact to take the additional step of converting these drawings to PDF format before supplying them to the plaintiff. The plaintiff is asking for no more than digital copies of the originals.

6 Second, the plaintiff has discovered evidence from examining the metadata in the AutoCAD drawings from the third defendant's portable external hard disk that have essentially put them on a train of inquiry: these drawings are the fifth defendant's drawings and they bear a date and time stamp that is exactly the same as one of the plaintiff's drawings created in 1996. This was created before the fifth defendant was incorporated in 2011. The plaintiff intends to pursue this line of inquiry in order to ascertain how many of the drawings that the fifth defendant had already disclosed bear the exact same date and time stamp as drawings that the plaintiff owns. This will then be used to prove that the defendants had copied the plaintiff's drawings.

Summary of defendants' submissions

7 The defendants oppose the application on essentially one ground: copies of the drawings had already been supplied in PDF format, which is listed in the Practice Directions as a reasonably usable format (whereas the AutoCAD format is not so listed), and it would be oppressive and prejudicial to require them to re-tender copies in native format. The defendants submitted that the plaintiff had not specified the file formats in which the drawings were to be supplied in any of the four discovery applications under which the orders for disclosure were made. The defendants had acted reasonably by selecting the PDF format, which is listed in the e-discovery PD as a reasonably usable format, when they supplied copies. These were provided on three occasions between 9 December 2013 and 9 January 2014; and all three tenders had been accepted by the plaintiff. The defendants point out that between 9 December 2013, when the first batch of drawings in PDF format was supplied, and 20 February 2014, when the plaintiff made its request for re-tender of these drawings in native AutoCAD format, a period of two and a half months had passed.

8 The defendants also rely on paragraph 52(4) of the e-discovery PD, which states that "the party giving discovery shall not be required to supply copies of electronically stored documents in more than one format", to bolster their submissions that they are not bound to re-tender the drawings in native format since they have already provided – and the plaintiff had accepted – the drawings in PDF format. They also rely on the following passage from "Discovery and Inspection of Electronically Stored Documents: A Commentary on Practice Direction 3 of 2009 (Part II)", *Law Gazette*, November 2009, an article that I had previously written where I had expressed the following views:

To prevent abuse, the eDiscovery PD makes it clear that if copies of discoverable documents have already been supplied in one format, the party giving discovery cannot be made to supply the same documents against in another format. For example, if parties had agreed that discoverable documents be exchanged in PDF and the exchange has already been carried out, the party entitled to copies cannot then ask for copies in native format. This is, of course, subject to parties' agreement otherwise and the powers of the court to revisit this issue where there have been sufficient changes in the circumstances. It will do well to bear this in mind before accepting copies of discoverable documents tendered.

9 Before I leave my discussion of the legal submissions, I should deal with a minor skirmish relating to certain representations made by defendants' counsel during a pre-trial conference on 12 March 2014. The certified transcripts record that counsel for the defence had agreed to provide the drawings that are now the subject matter of the application before me in native AutoCAD format. Pursuant to this, I had directed them to provide the copies by Friday, 21 March 2014. As defendants' counsel explained, he reviewed his client position after the pre-trial conference and thereafter wrote to the plaintiff's counsel on 20 March 2014 retracting his offer and stating his client's position as to why they objected to the plaintiff's request. The plaintiff sought to prevent the defendants from reneging from their counsel's offer. I think that there is very limited mileage that the plaintiff can make out of this.

Framework for supply of copies under the e-discovery PD

10 The framework for the supply of copies of electronic documents that is set out in paragraphs 52(1) and (2) of the e-discovery PD is for copies of discoverable electronic documents to be supplied in their native format with internally stored metadata intact:

(1) Copies of discoverable electronically stored documents shall generally be supplied in the native format in which the requested electronic documents are ordinarily maintained …

(2) Metadata information internally stored in the native format of discoverable electronically stored documents shall not be intentionally deleted, removed or altered without the agreement of the parties or an order of Court. …

11 That is the starting point. Under paragraph 52(3), the framework allows the party entitled to discovery a choice – he may specify the file format that he wishes to receive the electronic documents. The party giving discovery can either propose a reasonably usable format if he does not agree to supply the electronic documents in the format that had been request. A list of reasonably usable format is provided to enable parties to reach a consensus. If parties are unable to come to an agreement, then the party giving discovery can supply copies in native format:

(3) A request for copies of discoverable electronically stored documents may specify the format and manner in which such copies are to be supplied. If the party giving discovery does not agree with the specified format or manner or both, he may either:

(a) propose a reasonably usable format and/or storage medium and/or a reasonable manner in which he intends to supply copies of the requested electronic documents; or

(b) in default of agreement, supply copies of the request electronic document in accordance with sub-paragraph (1) [ie in the native format in which the requested electronic documents are ordinarily maintained].

12 As can be seen, the framework provides a degree of party autonomy but defaults to the native format if parties are not able to come to an agreement.

13 Turning to our present case, the onus laid first on the plaintiff to specify to the fifth defendant that they required copies of the drawings to be supplied in their native AutoCAD format. They had omitted to do so. This was the first wrong. The fifth defendant ought to have sought an agreement with the plaintiff before supplying copies of the drawings in PDF format. The list of reasonably usable formats is intended to provide a list of common file formats that can be used as a neutral list to assist parties in reaching an agreement. It is not intended to provide a safe harbour in the sense that the party supplying copies cannot be said to have discharged his obligations by providing copies in one of these reasonably usable formats. It is clear from the e-discovery PD that the default disclosure format where no consensus is achieved is the native format. Hence, the fifth defendant erred by unilaterally electing to supply copies in PDF format. This is the second wrong.

14 Can two wrongs make things right? I think not. In this case, the fifth defendant had tendered copies in PDF format on three occasions over a period of 1 month – 9 December 2013, 8 January 2014 and 9 January 2014 – and the plaintiff had accepted each of them without protest, which eventually came on 20 February 2014, more than a month after the last tender. As highlighted by the defendants, this is some two and half months after the plaintiff had received the first tender of drawings. There is some force in the submission that after a course of conduct in accepting the PDF versions without protest, the plaintiff should not now be permitted to demand for a re-tender. I should think that if one were minded to, one might find in the plaintiff's acquiescence and course of conduct in accepting the two subsequent tenders of drawings in the same PDF format sufficient basis for an *ex post facto* implied agreement that PDF format was acceptable to the plaintiff. At the very least, the plaintiff's acquiescence and course of conduct should amount to an estoppel preventing them from now demanding a re-tender.

15 The purpose of paragraph 52(4) is intended to prevent abuse by limiting the supply of copies to one format: "The party giving discovery shall not be required to supply copies of electronically stored documents in more than one format." Implicit in this statement is the assumption that there ought to be only a single tender. Paragraph 52(4) would have operated in this precise factual scenario to prevent a party, having agreed to accept electronic documents in one format, from thereafter putting the party giving discovery at a procedural disadvantage by requiring him to re-tender these documents again in a different format. This would be prejudicial to the party giving discovery.

16 In *Invenpro (M) Sdn Bhd v JCS Automation Pte Ltd and another* [2012] SGHCR 19, the court was faced with a similar situation:

> 14 When the question of discovery first arose, the Plaintiff could have, but *did not* apply for e-discovery … Instead, having opted for the traditional mode for discovery of document [*sic*], it now seeks e-discovery of the same documents which the Defendants have already been ordered to produce because it believes that the Defendants have not fully complied with the Discovery Orders. This cannot be countenanced. As Professor Jeffrey Pinsler explains in *Singapore Court Practice 2009* (Jeffrey Pinsler, gen ed) (LexisNexis, 2009) at para 24/5/8: "Further discovery will not be allowed if the process is used merely to find out whether there has been full compliance with the rules [*Berkeley Administration v McClelland* [1990] FSR 381 ("Berkeley")]".

17 I cannot agree more with the sentiments expressed in this passage. If there had been an agreement validly reached between parties to accept a tender of the drawings in PDF format, and the drawings having been so tendered and accepted, the plaintiff ought not be allowed to compel the fifth defendant to re-tender documents that are otherwise perfectly legible for it will be prejudicial to

the fifth defendant.

My decision

18 Where does procedural fairness lie in this case? "One of [the e-discovery PD's] objectives is to promote the exchange of electronically stored documents in a text searchable electronic form": *per* Lee Seiu Kin J in *Sanae Achar v Sci-Gen Ltd* [2011] 3 SLR 967; [2011] SGHC 87, at [11]. The e-discovery PD established a framework wherein parties are permitted to agree on the file format for the supply of copies but defaults to the native format when there is no consensus. Parties are thereby exhorted to engage in dialogue in order to establish consensus. The provision of a default rule in favour of the native format is therefore intended to discourage unilateral decision-making in the selection of the file format in which electronic documents are to be supplied.

19 The plaintiff's delay of two and a half months between the first tender of drawings and the date on which it raised objections to the file format cannot be too cavalierly brushed aside. Having accepted all three tenders of drawings, it is prejudicial to the fifth defendant to now require a re-tender of close to 2,000 drawings in their native format. But can this prejudice be addressed by an appropriate costs order? I believe it can.

20 The fifth defendant also did not come with clean hands. Had they tendered the drawings in the native AutoCAD format in accordance with paragraph 52(3) of the e-discovery PD, or had they sought an agreement with the plaintiff *before* tendering the drawings in PDF format, they would have had the full protection of paragraph 52(4). Having made a unilateral election to tender the drawings in PDF format, can they now protest that a re-tender is oppressive? I think that their protest is weak.

21 Two wrongs cannot make things right. I think that procedural fairness in this case lies in an order for the fifth defendant to re-tender the drawings in their native AutoCAD format. This will ensure that the aforementioned objectives of the e-discovery PD are achieved and a strong statement is made that rejects unilateral decision-making. Any prejudice that the fifth defendant faces as a result of this order may, I think, be addressed by an appropriate costs order.

22 For the foregoing reasons, I grant an order-in-terms of the plaintiff's application for the re-tender of copies of the drawings in native format, but dismiss the prayer for a peremptory order.

Costs orders

Shifting the costs of compliance to the plaintiff

23 Parties were asked to address the applicability of Order 59, rule 7 in their submissions on costs. The fifth defendant's submissions may be summarised as follows. The plaintiff had omitted to state the format in which they required the drawings in the four applications for discovery that led to this application, as required by paragraph 52(6) of the e-discovery PD: "Applications for the supply of copies of discoverable electronically stored documents shall specify the format and manner in which copies of such electronic documents are to be supplied." If there had been compliance with this requirement, it would have saved costs. Further, with the order for a re-tender of the drawings, there would now be a delay in the proceedings. The fifth defendant requires at least one month to collate the drawings and to prepare them for the re-tender. The plaintiff in its submissions pointed out that in the long procedural history of this case, it was the defendants' paltry disclosure during general discovery that made it necessary for the plaintiff to take out multiple discovery applications. Hence, any delay caused by this re-tender should be considered in the context of the defendants' conduct during discovery. Further, the plaintiff submitted that it need not specify the format in their

application for discovery as the fifth defendant was expected to supply copies in native format in compliance with paragraph 52(1) of the e-discovery PD.

24 I turn now to the costs order that I think is appropriate in this case. In the ordinary course, the costs of compliance with a discovery order is usually borne by the party giving discovery – the fifth defendant in this case – while his disbursements in supplying copies are reimbursed by the plaintiff: see paragraph 55(1) of the e-discovery PD. This would be where the costs and disbursements fall insofar as the initial three tenders of drawings between 9 December 2013 and 9 January 2014 are concerned. I do not intend to disturb them.

25 The Court has broad discretion when making costs orders under Order 92, rule 2(2):

> Subject to the express provisions of any written law and of these Rules, the costs of and incidental to proceedings in the Supreme Court … shall be in the discretion of the Court, and the Court shall have full power to determine by whom and to what extent the costs are to be paid.

26 Under Order 59, rule 7, the Court has the discretion to make what is essentially a costs-shifting order, requiring the party in default to compensate the party suffering prejudice:

> **Costs arising from misconduct or neglect (O. 59, r.7)**
>
> 7.—(1) Where it appears to the Court in any proceedings that anything has been done, *or that any omission has been made*, *unreasonably or improperly* by or on behalf of any party, the Court may order that the *costs of that party* in respect of the act or omission, as the case may be, *shall not be allowed* and that any *costs occasioned by it to any other party* shall be paid by him to that other party.
>
> (2) Without prejudice to the generality of paragraph (1), the Court shall for the purpose of that paragraph have regard in particular to the following matters:
>
> (a) the omission to do anything the doing of which would have been calculated to save costs;
>
> (b) the doing of anything calculated to occasion, or in a manner or at a time calculated to occasion unnecessary costs; and
>
> (c) any unnecessary delay in the proceedings.
>
> [Emphasis added.]

27 Having in mind the factors set forth in Order 59, rule 7(2), I think that this is an appropriate case to apply this Order. The plaintiff had omitted to raise its objections that the initial tenders of drawings in PDF format were not acceptable. Had the objections been raised within a reasonable time from the first tranche of drawings tendered on 9 December 2013, the fifth defendants would not have had to incur the costs and expense of preparing the subsequent tranches of drawings. That would have saved time and costs for the fifth defendant. Nor would this application have been necessary. Further, by making the request for re-tender after this inordinate delay, the plaintiff has effectively set the clock for this case back some six months to December 2013 when the drawings were first tendered. I do not expect that parties will be able to make any progress in this case until the drawings are re-tendered and the plaintiff has had time to review them.

28 In applying Order 59, rule 7(1) to our present case, I have in mind the acquiescence and course of conduct of the plaintiffs in omitting to raise its objections to the first tender of the drawings in PDF format for a period of two and a half months. It is unreasonable for the plaintiff to have omitted to raise its objections promptly and improper to do so after such an inordinate delay. What then are the costs that the plaintiff has incurred by reason of this omission? I should say the costs of the present application to compel a re-tender of the drawings in their native AutoCAD format. The plaintiff should not be allowed this set of costs. What about the costs occasioned by the fifth defendant by reason of this omission? I should say that those costs would be the costs that the fifth defendant had to incur in defending this application and would now have to incur when it re-tenders the 1,903 drawings in their native AutoCAD format.

29 Hence, I am making an order that the *costs of compliance* with the order for a re-tender of the 1,903 drawings in the native format, including all associated disbursements incurred in so complying, shall be borne by the plaintiff on an indemnity basis. This should cover all costs and disbursements that the fifth defendant will incur in the re-tender and will therefore address any prejudice that he may suffer by reason of the re-tender.

Costs of the application

30 Further, I do so make a similar costs-shifting order with respect to the *costs of the application*. Even though the plaintiff is successful in the application, I think that this application would have been wholly unnecessary had they protested promptly after 8 December 2013.

31 Quite apart from Order 59, rule 7(1), the Court has discretion to award costs to the fifth defendants pursuant to Order 59, rule 3(2):

> If the Court in the exercise of its discretion sees fit to make any order as to the costs of or incidental to any proceedings, the Court shall, subject to this Order, order the costs to follow the event, except when it appears to the Court that in the circumstances of the case some other order should be made as to the whole or any part of the costs.

32 I have stated above why I do not think that the plaintiff ought to be entitled to costs for this application, even though it had prevailed. I therefore decline to make the usual order for costs to follow the event but I award costs of the application to the fifth defendants which I fix at $4,000 and additionally, all disbursements reasonably incurred.

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