

JUDGMENT Express

[2025] 2 MLRA

Siemens Industry Software Inc
v. KB Engineering Coatings Sdn Bhd

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SIEMENS INDUSTRY SOFTWARE INC

v.

KB ENGINEERING COATINGS SDN BHD

Court of Appeal, Putrajaya

Azizah Nawawi, See Mee Chun, Mohamed Zaini Mazlan JJCA

[Civil Appeal No: W-02(IM)(IPCV)-624-04-2022]

19 December 2024

Civil Procedure: *Summary judgment — Claim for copyright infringement — Appeal against dismissal of application for summary judgment — Whether High Court Judge erred in law in finding plaintiff lacked locus standi to sue, based on own research on Internet — Whether prima facie established that plaintiff was copyright owner — Whether defendant's lack of knowledge of download or use by its employee of plaintiff's software a defence to copyright infringement — Whether defendant vicariously liable for its employee's acts — Whether defendant infringed plaintiff's copyright*

Copyright: *Infringement — Appeal against dismissal of claim for summary judgment — Plaintiff's computer software downloaded by defendant's employee to work laptop without defendant's knowledge — Whether High Court Judge erred in law in finding plaintiff lacked locus standi to sue, based on own research on Internet — Whether prima facie established that plaintiff was copyright owner — Whether defendant's lack of knowledge of download or use by its employee of plaintiff's software a defence to copyright infringement — Whether defendant vicariously liable for its employee's acts — Whether defendant infringed plaintiff's copyright*

The plaintiff which was previously known as Siemens Product Lifecycle Management Software Inc, had commenced proceedings against the defendant for copyright infringement of its computer program, NX12 and its licence file ('software'). Based on allegations of infringement of the software vide a letter dated 14 December 2020 from Siemens Industry Software Pte Ltd ('SISW'), the defendant conducted an internal investigation and discovered that its employee had downloaded the software ('counterfeit program') into his work laptop purportedly for learning purposes to improve his skills. An on-site review report by an independent licence compliance partner of the plaintiff, Proactsys (M) Sdn Bhd ('Proactsys') concluded that there was copyright infringement of the software by the defendant. The plaintiff's application for summary judgment to be entered against the defendant was dismissed by the High Court Judge ('HCJ') principally on the issue of *locus standi* although that issue was never raised by the defendant, but based on the HCJ's own research on the Internet that the proper entity to file the action was Siemens Digital Industries Software Inc. The HCJ also held that there were triable issues in that: (i) SISW's and Proactsys's involvement was never explained by the plaintiff; (ii) the defendant's lack of knowledge of the download; (iii) based on the letter



from SISW, there was a double claim of copyright ownership; (iv) the letter of apology from the defendant was issued under misrepresentation and undue pressure; and (v) the defendant being an artificial personality could not be held liable for its employee's actions. Hence the instant appeal.

Held (allowing the appeal):

(1) The plaintiff's software was a literary work within the meaning of the Copyright Act 1987 ('Act') and was eligible for copyright protection. Pursuant to s 42 of the Act, the plaintiff had established *prima facie* evidence that it was the owner of the copyright in the software and had the exclusive right to control the reproduction of the software or any substantial part of it. (paras 21, 24 & 25)

(2) The defendant had failed to rebut the *prima facie* evidence as to the subsistence of copyright in the plaintiff's software and the plaintiff's ownership of such copyright. (para 27)

(3) The HCJ had erred in law by relying solely on his Internet research on the issue of *locus standi* and failed to provide any reason for going behind the undisputed evidence. There was no legal basis for the personally researched facts to fall within the exceptions under ss 56, 57 and 58 of the Evidence Act 1950. (paras 31-32)

(4) Since SISW and Proactsys were not parties to the suit, their involvement need not be specifically pleaded as they had no cause of action against the defendant and as their roles were sufficiently explained by the plaintiff. (para 34)

(5) The SISW letter did not explicitly claim ownership of the software and could not displace the plaintiff's *prima facie* ownership of the software because it failed to meet the requirements of s 42 of the Act. The HCJ erred in law in relying on the said letter to conclude that there was a double claim of copyright ownership. (paras 36-37)

(6) The onsite review report and the defendant's admission that its employee had downloaded the software to the defendant's computer constituted a reproduction of the software without the plaintiff's licence or consent and amounted to copyright infringement. (para 45)

(7) The HCJ's finding that the defendant's computer might have been hacked constituted a triable issue, was not supported by any evidence given that the allegation of hacking was never raised in any of the defendant's affidavit but was only raised in its written submissions. (para 46)

(8) The letter of apology from the defendant was clear and unambiguous and it was unlikely that the defendant would have been pressured into issuing the same if the claims of downloading and using the counterfeit program were false. (para 48)



(9) Innocence was not a defence to copyright infringement. It was immaterial whether the defendant had intention or knowledge of the download or use of the counterfeit program. Hence the HCJ erred in law in finding the defendant's lack of knowledge of the download a triable issue, as liability for copyright infringement was strict and did not require knowledge or intent. (paras 50 & 53)

(10) Given that the counterfeit program was found on the defendant's employee's work laptop and was used during the employee's employment, the defendant should be held vicariously liable. (para 57)

Case(s) referred to:

Acushnet Company v. Metro Golf Manufacturing Sdn Bhd [2006] 3 MLRH 87 (refd)
Cempaka Finance Bhd v. Ho Lai Ying & Anor [2005] 2 MLRA 736 (refd)
Dura-Mine Sdn Bhd v. Elster Metering Limited & Anor [2015] 2 MLRA 177 (refd)
Elster Metering Limited & Anor v. Damini Corporation Sdn Bhd & Anor [2010] 6 MLRH 219 (refd)
Elster Metering Limited & Anor v. Damini Corporation Sdn Bhd & Anor [2013] 1 MLRA 650 (refd)
Francis Day & Hunter v. Bron [1963] Ch 587 (refd)
Maslinda Ishak v. Mohd Tahir Osman & Ors [2009] 2 MLRA 609 (refd)
Microsoft Corporation v. Conquest Computer Centre Sdn Bhd [2014] 2 MLRH 578 (refd)
Microsoft Corporation v. ElectroWide Ltd & Anor [1997] FSR 580 (refd)
Microsoft Corporation v. Yong Wai Hong [2008] 2 MLRA 145 (refd)
Mohd Syamsul Md Yusof & Ors v. Elias Idris [2019] 5 MLRA 10 (refd)
Pembangunan Maha Murni Sdn Bhd v. Jururus Ladang Sdn Bhd [1985] 1 MLRA 426 (refd)
RHB Bank Bhd v. Kwan Chew Holdings Sdn Bhd [2009] 3 MLRA 162 (refd)
Rock Records (M) Sdn Bhd v. Audio One Entertainment Sdn Bhd [2004] 3 MLRH 1 (refd)
Roshairree Abd Wahab v. Mejar Mustafa Omar & Ors [1996] 1 MLRH 548 (refd)

Legislation referred to:

Copyright Act 1987, ss 3, 7(1), 13(1), 36(1), 42(1)
Evidence Act 1950, ss 56, 57, 58
Trade Marks Act 1976, ss 36, 37

Counsel:

For the appellant: Wendy Lam Mei Kuan (Wong Jia Ee with her); M/s V Chong W Lam

For the respondent: Rajashree Suppiah (Rex Kuan Kai Tat with her); M/s Rajashree

[For the High Court judgment, please refer to *Siemens Industry Software Inc v. KB Engineering Coatings Sdn Bhd* [2023] MLRHU 586]



JUDGMENT

Azizah Nawawi JCA:

Introduction

[1] This is an appeal against the decision of the learned High Court Judge in dismissing the appellant/plaintiff’s application for summary judgment against the respondent/defendant.

[2] The plaintiff’s cause of action against the defendant is for copyright infringement of its computer program known as NX12 and its license file (the “Software”).

[3] We have allowed the plaintiff’s application for summary judgment and these are the grounds for our decision.

The Salient Facts

[4] The Software was registered in the name of Siemens Product Lifecycle Management Software Inc in the Copyright Office of the United States of America on 7 November 2017 (see Exh “NYY-11” for the Certificate of Registration).

[5] Siemens Product Lifecycle Management Software Inc changed its name to SIEMENS INDUSTRY SOFTWARE INC, (the plaintiff) on 27 September 2019 via a Name Change Certificate issued by the Secretary of State of the State of Delaware (see Exh “NYY-1” for the Name Change Certificate).

[6] The plaintiff is a globally recognized United States of America-based company specializing in developing, manufacturing, and providing software for Product Lifecycle Management (PLM) and Manufacturing Operations Management (MOM). PLM involves managing a product’s lifecycle from inception to retirement, while MOM focuses on optimizing end-to-end manufacturing processes. The plaintiff operates as a business unit of Siemens AG, a leading German multinational conglomerate and Europe’s largest industrial manufacturing company, headquartered in Munich.

[7] The defendant, established in 2008, specializes in providing protective coating services for refurbishing or upgrading equipment and mechanical components, using conventional manual machines in its workshop.

[8] On 14 December 2020, Siemens Industry Software Pte Ltd (“SISW”), a Singapore-based company, sent a letter to the defendant alleging infringement of the Software’s intellectual property rights.

[9] Following SISW’s letter, the defendant conducted an internal investigation, which revealed that an employee, Mohamad Feroz Bashir Mohamad, had used the Software for personal purposes. Mohd Feroz claimed that he used the Software for learning purposes to improve his skills.



[10] On 29 January 2021, Simon Wong, License Compliance Manager for Proactsys (M) Sdn Bhd (“Proactsys”), an independent compliance partner of the plaintiff, visited the defendant’s office to investigate potential unlicensed use of the plaintiff’s Software. During the visit, he met with the defendant’s Executive Director, Jerry Sirat. Simon Wong later produced an On-Site Review Report, concluding that the defendant had committed copyright infringement of the Software.

[11] On 28 April 2021, the defendant received a legal notice from the plaintiff’s solicitors, Messrs V Chong W Lam, outlining the defendant’s copyright infringement. The plaintiff claims that the defendant had infringed its copyright by using unlicensed copies of the plaintiff’s Software. The plaintiff is seeking injunctive relief and monetary compensation for the alleged infringement. The plaintiff then applied for summary judgment against the defendant.

The Findings Of The High Court Judge

[12] The learned High Court Judge had dismissed the plaintiff’s application for summary judgment, principally on the issue of *locus standi*, and held as follows:

“[14] This Court took judicial notice of the global standing of Siemens. **Based on this Court’s own initiative, I had researched into Siemens’ website which showed that the change of name of “Siemens Product Lifecycle Management Software Inc” that was effected in October 2019 was not a change of name to “Siemens Industry Software Inc” but “Siemens Digital Industries Software Inc”.**

[15] With those facts in mind, I am then puzzled as to the Certificate issued by the State of Delaware Secretary dated 21 October 2019 as in Exh NYY-1 to the Affidavit in Support of this application which stated “Siemens Industry Software Incorporated”. This is also the name of the Plaintiff stated in the Writ and the Statement of Claim.

[16] This Court had found that there are Siemens Industry Software Ltd Singapore and Siemens Industry Ltd South Korea. However, the entity that was pleaded by the Plaintiff in its Statement of Claim is the company incorporated in the State of Delaware, USA. That company in this Court’s considered view is not Siemens Industry Software Inc but Siemens Digital Industries Software Inc.

[17] **On this issue alone, this Court is with the Defendant that there exists a serious issue to be tried as the Defendant had questioned the entity that has the *locus standi* to bring this action.”**

[Emphasis Added]

[13] In para [20] of the Judgment, the learned Judge however expanded the issues to be tried to the issues raised by the defendant in para [12] of the Judgment:

“[12] In objecting to this Summary Judgment application, the Defendant argued that-



- (i) Plaintiff failed to plead the involvement of various parties and the double claim of ownership on the copyright of the Software, which raises a triable issue;
- (ii) The purported “investigation” was carried out through a visit by Simon Wong, who is the License Compliance Manager for Proactsys (M) Sdn Bhd (“Proactsys”). Proactsys is the independent License Compliance Specialised Partner of the Plaintiff. Based on his affidavit supporting this application, Simon Wong visited the Defendant’s office on 29 January 2021 and met with the Defendant’s Executive Director, Jerry Sirat. That visit was to ascertain whether any unlicensed copy of the Plaintiff’s Software has been wrongly downloaded and used by the Defendant. Following the visit, Simon Wong produced the On-Site Review Report, as exhibited in his affidavit. The findings and allegations of copyright infringement as contained in this Report were disputed by the Defendant. The involvement of SISW, Proactsys, and the Plaintiff was not explained sufficiently by the Plaintiff. This raised the issue of *locus standi* of the Plaintiff in bringing this action against the Defendant. These disputes cannot be resolved by this Court through affidavit evidence;
- (iii) reasonable inference which can be drawn by this Court at this preliminary stage is that SISW or Proactsys had hacked into the Defendant’s computers/laptops that led to its obtaining the necessary information prior to the purported investigation/visit. The letter issued by SISW dated 14 December 2020 had already claimed that the intellectual property rights in the Software had been infringed by the Defendant without any supporting documents or proof. This is a triable issue;
- (iv) the Defendant had issued the letter of apology dated 1 February 2021 under misrepresentation and undue pressure by Simon Wong and/or the representative SISW who assured that this issue will be resolved without legal intervention or public disclosure. In any event, that letter was issued without any admission of copyright infringement by the Defendant. This issue cannot be resolved through affidavit evidence as Simon Wong and Nicholas Low must be called to the stand at a full trial;
- (v) another triable issue is the fact that from the outset the Defendant’s stand has been that it was one of their employees who had downloaded the alleged infringing Software into his laptop. The Defendant itself had no knowledge of the employee’s action. It was averred by the Defendant that upon its own internal investigation, the Defendant had discovered that one of its employees, Mohd Feroz, had used the Software for his own use and that Mohd Feroz explained that he used it for his private study to enhance his own skills and abilities; and
- (vi) even if such act of the Defendant’s employee tantamount to a copyright infringement, as the Defendant is an artificial personality who is incapable of carrying out the alleged act of infringement, the Plaintiff shall establish that the Defendant can be made vicariously liable for the acts of its employee. This must be resolved at a full trial.”



[14] Briefly, the other triable issues raised by the defendant included the involvement of SISW and Proactsys, the letter from SISW on double claim of copyright ownership, that SISW or Proactsys might have hacked into the defendant's computers, that the defendant's letter of apology was issued under misrepresentation and undue pressure, the defendant's lack of knowledge of the download and that the defendant, as an artificial personality, could not be held liable for the employee's actions.

Our Decision

[15] The test for summary judgment is well-established. The Federal Court in *Cempaka Finance Bhd v. Ho Lai Ying & Anor* [2005] 2 MLRA 736 held as follows:

"Quite clearly, the Court of Appeal has put the burden on the plaintiff to prove his case in an O 14 application. With respect, that cannot be the correct proposition of law. In an application under O 14, the burden is on the plaintiff to establish the following conditions: that the defendant must have entered appearance; that the statement of claim must have been served on the defendant; that the affidavit in support must comply with r 2 of O 14 in that it must verify the facts on which the claim is based and must state the deponent's belief that there is no defence to the claim. (See *Supreme Leasing Sdn Bhd v. Dior Enterprises & Ors* [1989] 3 MLRH 718.) Once those conditions are fulfilled, the burden then shifts to the defendant to raise triable issues. The law on this is trite. In *National Company for Foreign Trade v. Kayu Raya Sdn Bhd* [1984] 1 MLRA 190, the Federal Court has stated thus:

We think it appropriate to remind ourselves once again that in every application under O 14, the first considerations are (a) whether the case comes within the Order; and (b) whether the plaintiff has satisfied the preliminary requirements for proceeding under O 14. For the purposes of an application under O 14, the preliminary requirements are:

- i. the defendant must have entered an appearance;
- ii. the statement of claim must have been served on the defendant; and
- iii. the affidavit in support of the application must comply with the requirements of r 2 of the O 14.

... If the plaintiff fails to satisfy either of these considerations, the summons may be dismissed. If however, these considerations are satisfied, the plaintiff will have established a *prima facie* case and he becomes entitled to judgment. This burden then shifts to the defendant to satisfy the Court why judgment should not be given against him."

[16] It is also common ground that summary judgment may be entered in cases involving intellectual property rights. In *Acushnet Company v. Metro Golf Manufacturing Sdn Bhd* [2006] 3 MLRH 87, a summary judgment was granted for trade mark infringement and passing-off. At p 95, the court held that:

"[29] The granting of such remedies is no exception by the Malaysia Courts. In this regard, the court relies on the case of *Fabrique Ebel Societe Anonyme v.*



Sykt Perniagaan Tukang Jam City Port & Ors [1987] 2 MLRH 37, where Justice Zakaria Yatim granted similar remedies. Justice Zakaria Yatim ordered: In the circumstances, I allow the Plaintiff's application for final judgment under O 14 ... for:

- (1) an injunction to restrain the Defendants ... from infringing the Plaintiff's registered trade mark ...;
- (2) for delivery up or destruction upon oath of all goods ...offend against the foregoing injunction;
- (3) enquiry be made as to what damages ... sustained by the Plaintiff; and
- (4) the Defendants will pay the Plaintiff's costs ...

[30] The above authorities clearly show that in cases involving trade mark infringement, the court has jurisdiction to enter summary judgment, provided all the necessary ingredients required under O 14 RHC 1980 are fulfilled, (see also: *Rock Records (M) Sdn Bhd v. Audio One Entertainment Sdn Bhd* [2004] 3 MLRH 1)."

[17] In *Microsoft Corporation v. Yong Wai Hong* [2008] 2 MLRA 145, the plaintiff's application for summary judgment for copyright infringement was dismissed by the High Court. On appeal, this court has allowed the appeal and granted summary judgment on the basis that the plaintiff had provided *prima facie* evidence of ownership of the copyright under s 42(1) of the Copyright Act 1987 and ownership of the trademarks through certificates of registration under ss 36 and 37 of the Trade Marks Act 1976. It was the defendant's responsibility to rebut this evidence, but he failed to do so, raising no triable issue regarding ownership of the copyright or trademarks. Regarding the defendant's involvement, the court found documentary evidence connecting him with the 1st and 2nd defendants, such as creating stampers, that infringed the plaintiff's copyright. The evidence further supported the claim that the defendant was the mastermind behind acts of copyright piracy against the plaintiff's intellectual property.

[18] The plaintiff's claim for copyright infringement against the defendant is premised on s 36(1) of the Copyright Act 1987, which reads as follows:

"36. Infringements.

- (1) Copyright is infringed by any person who does, or causes any other person to do, without the licence of the owner of the copyright, an act the doing of which is controlled by copyright under this Act."

[19] In order to establish a claim of copyright infringement, the onus lies with the plaintiff to establish the following elements:

- (i) whether the plaintiff's Software is eligible for copyright protection;
- (ii) whether the plaintiff owns the copyright in the said Software; and
- (iii) whether the defendant has infringed the plaintiff's copyright.



Ownership Of Copyright In The Software

[20] It is not in dispute that the plaintiff's Software is eligible for copyright protection. Pursuant to s 7(1) of the Copyright Act 1987, a computer program, being a literary work, is eligible for copyright as sufficient effort has been expended to make the work original in character and that it has been written down, recorded or otherwise reduced to material form. "Material form" has been defined in s 3 of the Copyright Act 1987 as:

"In relation to a work or a derivative work, included any form (whether visible or not) of storage from which the work or derivative work, or a substantial part of the work or derivative can be reproduced."

[21] Therefore, we agree with the plaintiff that the Software is a literary work within the meaning of the Copyright Act 1987 and is eligible for copyright protection.

Prima Facie Evidence

[22] Copyright can be proved in the manner as provided under s 42(1) of the Copyright Act 1987, which reads:

"42. (1) An affidavit, certified extracts of the Register of Copyright referred to in s 26B or statutory declaration made before any person having authority to administer oath by or on behalf of any person claiming to be:

- (a) the owner of the copyright in any works eligible for copyright under this Act stating that:
 - (i) at the time specified herein copyright subsisted in such work;
 - (ii) he or the person named therein is the owner of the copyright; and
 - (iii) a copy of the work annexed thereto is the true copy thereof; ...

shall be admissible in evidence any proceedings under this Act and shall be *prima facie* evidence of the facts contained therein.

(2) Any person who is authorised to act on behalf of the owner of the copyright or performer for the purposes of subsection (1) shall be required to produce such authorization in writing."

[23] The application of s 42 was considered by the court in *Elster Metering Limited & Anor v. Damini Corporation Sdn Bhd & Anor* [2010] 6 MLRH 219, where the Court held at pp 222-223:

"Section 42 stipulates five prerequisites, which are as follows:

- (a) it must be made by or on behalf of the person claiming to be the copyright owner;
- (b) it must state the copyright subsist in the work at the time specified;
- (c) that he or the person named therein is the owner of the copyright;



- (d) true copy of the work is annexed;
- (e) the person who is authorised to act on behalf of the copyright must produce such an authorisation in writing ...”

[24] In the present case, the plaintiff has made the required affidavit and extracts of the Register of Copyright pursuant to s 42 of the Copyright Act 1987. Mr Ng Yit Yau, who is duly authorized via a Power of Attorney registered in the High Court of Malaysia (No 63332/14 on 11 August 2014), affirmed the affidavit on behalf of the plaintiff. In his affidavit, Mr Ng stated that copyright subsists in the Software and the plaintiff owns this copyright. Added to that, as the copyright owner in Malaysia, the plaintiff has the exclusive right to control the reproduction of the Software or any substantial part of it.

[25] We are therefore of the considered opinion that pursuant to s 42 of the Copyright Act 1987, the plaintiff has established *prima facie* evidence that the plaintiff is the owner of the copyright in the Software. This is supported by the decision of Abdul Malik Ishak J in *Rock Records (M) Sdn Bhd v. Audio One Entertainment Sdn Bhd* [2004] 3 MLRH 1 where His Lordship said at p 4:

“It is quite apparent that s 42 of the Copyright Act 1987 prescribes the manner of proving copyright subsistence and ownership of works. It provides that an affidavit or statutory declaration to be made by the copyright owner or persons authorised by the copyright owner and such affidavit or statutory declaration shall be admissible in any proceedings as *prima facie* evidence of the facts contained therein. It is quite obvious that s 42 of the Copyright Act 1987 was enacted to facilitate and ease the process of proving copyright ownership. It is a concession of a sort. It circumvents the requirement of having to produce supporting documentary evidence which may be antiquated and voluminous. Section 42 of the Copyright Act 1987 places the burden on the infringer to dispute and challenge the *prima facie* evidence adduced by the copyright owner.”

[Emphasis Added]

[26] The admission of the affidavit, which complies with s 42 of Copyright Act 1987 will have the effect of shifting the burden of proof to the defendant to rebut the *prima facie* evidence as to the subsistence of copyright in the plaintiff’s Software and the plaintiff’s ownership to such copyright. This is affirmed by the decision of the Court of Appeal in *Microsoft Corporation v. Yong Wai Hong* (*supra*) where this court held at p 148:

“In the present case, the appellant filed an affidavit which complies with s 42(1) of the Copyright Act. The effect of that is to provide *prima facie* evidence of the facts of the appellant’s ownership of the copyright over several works in question. It was then for the respondent to offer positive evidence to displace the appellant’s *prima facie* ownership, for example, by showing that some other person is the true owner of the claimed copyright. But that, as has already been seen is not what the respondent did.”

[Emphasis Added]



[27] It is our considered opinion that the defendant has failed to offer any positive evidence to rebut the *prima facie* evidence as to the subsistence of copyright in the plaintiff's Software and the plaintiff's ownership of such copyright.

Locus Standi

[28] Instead of ascertaining any positive evidence to rebut the plaintiff's *prima facie* evidence on the subsistence and ownership of copyright to the Software, the learned Judge held that the plaintiff has no *locus standi* to file this suit, as the learned Judge had personally conducted research on the Internet, and concluded that "Siemens Digital Industries Software Inc" should be the correct entity to bring the action.

[29] However, we are of the considered opinion and we agree with the plaintiff that the defendant did not plead the issue that the plaintiff has no *locus standi* to maintain its action against the defendant. In *RHB Bank Bhd v. Kwan Chew Holdings Sdn Bhd* [2009] 3 MLRA 162, the Federal Court held that:

"[34] In fact, the Court of Appeal itself has reiterated this in *Amanah Butler (M) Sdn Bhd v. Yike Chee Wah* [1997] 1 MLRA 143 where Gopal Sri Ram JCA (as he then was) said:

It is trite law that a party is bound by its pleadings.

[35] **On this, we would like to add that it is not the duty of the court to invent or create a cause of action or a defence under the guise of doing justice for the parties lest it be accused of being biased towards one against the other.** The parties should know best as to what they want and it is not for the court to pursue a cavalier approach to solving their dispute by inventing or creating cause or causes of action which were not pleaded in the first place. Such activism by the court must be discouraged otherwise the court would be accused of making laws rather than applying them to a given set of facts."

[Emphasis Added]

[30] Added to that, the learned Judge had reached an unreasonable conclusion by ignoring the plaintiff's documentary evidence regarding its name change, and instead relying on his own Internet research to question the plaintiff's *locus standi* in the case. The learned Judge had failed to consider the Certificate of Registration from the Copyright Office of the United States of America, dated 7 November 2017, showing that the Software was registered in the name of Siemens Product Lifecycle Management Software Inc and the Name Change Certificate issued by the Secretary of State of the State of Delaware, indicating that Siemens Product Lifecycle Management Software Inc had changed its name to the plaintiff on 27 September 2019.



[31] By relying solely on his Internet research on the issue of *locus standi*, we are of the considered opinion that the learned Judge has committed a legal error as the law clearly provides that facts in issue and relevant facts must generally be proven by evidence, except for judicially noticed facts and admitted facts under ss 56, 57, and 58 of the Evidence Act 1950. In *Pembangunan Maha Murni Sdn Bhd v. Jururus Ladang Sdn Bhd* [1985] 1 MLRA 426, the Supreme Court held that:

“[6] Now, the general rule is that all facts in issue and relevant facts must be proved by evidence. There are, however, two classes of facts which need not be proved, viz. (a) facts judicially noticed and (b) facts admitted. The exceptions are dealt with by ss 56, 57 and 58 of the Evidence Act 1950 under the title “Facts which need not be proved.” In so far as judicial notice is concerned, the provision of s 57(1) makes it mandatory for the Court to take judicial notice of all laws and regulations having the force of law, public Acts passed by Parliament, the course of parliamentary proceedings and other matters that are enumerated in subsection 1(a) to (o) of the section. The list however is not exhaustive since it is impossible to make a really complete list although a long list of facts which the English courts take judicial notice has been prepared. The important point to note is that s 57 does not prohibit the courts from taking judicial notice of other facts not mentioned therein. The matter which the Court will take judicial notice must be the subject of common and general knowledge and its existence or operation is accepted by the public without qualification or contention. The test is that the facts involved must be so sufficiently notorious that it becomes proper to assume its existence without proof.”

[Emphasis Added]

[32] In the present appeal, we agree with the plaintiff that the learned Judge has failed to provide any reason for going behind the undisputed evidence, conducting his own research on the Internet and ruling in the said manner. Therefore there is no legal basis for the personally researched facts to fall within the exceptions under ss 56, 57, and 58 of the Evidence Act 1950.

Role Of SISW And Proactsys

[33] The learned Judge also found that the plaintiff has failed to explain the involvement of SISW and Proactsys and this adds to the issue of the *locus standi* of the plaintiff.

[34] However, we are of the considered opinion that since neither SISW nor Proactsys are parties to the suit or the copyright owners of the Software, their involvement does not need to be specifically pleaded as they have no cause of action against the Defendant. Added to that, the plaintiff has explained in the affidavits that SISW is authorized to market and license its software, including the Software, while Proactsys is an independent partner authorized to conduct license compliance checks. However, we find that the plaintiff had given a sufficient explanation regarding their roles.



Double Claim Of Copyright Ownership

[35] Another triable issue raised by the defendant and adopted by the learned Judge was the alleged double claim of copyright ownership. The learned Judge relied on a letter issued by SISW to the defendant (exh “KBEC-2”) to conclude that there has been a double claim of copyright ownership.

[36] We are of the considered opinion that the SISW letter does not explicitly claim ownership of the Software. Added to that, it cannot displace the plaintiff’s *prima facie* ownership of the Software because it fails to meet the requirements of s 42 of the Copyright Act 1987, as there is nothing to indicate the time when copyright subsisted, the copyright owner and it does not annex a true copy of the Software. In *Dura-Mine Sdn Bhd v. Elster Metering Limited & Anor* [2015] 2 MLRA 177, the Federal Court held:

“[8] In relation to any person claiming to be the owner of the copyright in any works eligible for copyright under the Act, s 42(1)(a) provides that the affidavit or SD made by or on behalf of that person shall state that the person is the owner of the copyright and that a copy of the work annexed thereto is a true copy of the copyright. Plainly, s 42(1)(a)(ii) and (iii) provide that the person claiming to be the owner of the copyright must state that he is the owner of the copyright and that the copy of the work annexed to the affidavit or statutory declaration is a true copy of the work in which copyright subsists. Section 42(1)(a)(iii) of the Act requires a true copy of the work. There is no requirement for the original copy of the work (see Practical Approach to the Enforcement of Intellectual Property Rights by Jagjit Singh at p 44).

[9] In the following commentary at pp 66 and 68 of Copyright Law in Malaysia (3rd edn), Professor Khaw Lake Tee explained that s 42(1)(a)(iii) requires only a true copy of the work:

The Copyright Act 1987 provides a means of proving copyright and the ownership thereof in the work in the form of s 42. Under the said section, a person claiming to be the owner of the copyright in a work, or any person on his behalf, may make an affidavit or statutory declaration with a true copy of the work annexed to it, stating that at the time specified, copyright subsists in the work and he is the owner of the copyright. Such affidavit or statutory declaration shall be admissible in evidence in any proceedings under the Act and shall be *prima facie* evidence of the facts stated therein. It should be noted that the facts stated therein are *prima facie* evidence only and may be rebutted by any person challenging the same.

...

All these preconditions must be complied with before a s 42 affidavit or statutory declaration may be admitted as evidence.”

[37] Therefore, we find that the learned Judge has clearly erred in law when he relied on a letter from SISW to conclude there was a double claim of copyright ownership, ignoring the plaintiff’s *prima facie* evidence of ownership under s 42 of the Copyright Act 1987.



Infringement

[38] The next issue is whether the defendant has infringed the plaintiff's copyright under s 36(1) read with s 13(1) of the Copyright Act 1987. Under s 36(1) of the Copyright Act 1987, copyright is infringed when a person, without the owner's license, performs or causes another to perform an act that is controlled by copyright under the Act.

[39] In *Microsoft Corporation v. Conquest Computer Centre Sdn Bhd* [2014] 2 MLRH 578, the plaintiff alleged that the defendant sold a personal computer installed with unlicensed software belonging to the plaintiff without the plaintiff's consent and without providing the plaintiff's original and licensed software in CDROMs/discs, the enduser license agreements, manuals, product registration cards and certificates of authenticity (COA) to the purchaser. The court held that the plaintiff was successful in proving that the defendant had infringed the plaintiff's copyright in the software when the defendant had installed the same on the personal computer without a licence from the plaintiff as there was no COA affixed to the personal computer.

[40] We also refer to the case of *Microsoft Corporation v. Electro Wide Ltd & Anor* [1997] FSR 580 where the court held that unauthorized reproduction of software amounts to copyright infringement:

"If the software is the subject of copyright, loading it into a computer, which involves copying it onto the hard disk storage system in the computer, will be an infringement unless licensed by the copyright owner. This presents no significant problem when a member of the public purchases an authentic copy of the software. It will be supplied by the proprietor in a package which will include not only the software but a personal licence to the end user. As long as he complies with the terms of his licence, which normally restricts him to loading the software onto a single computer and to making one copy of the software for back-up or security reasons, the end user does not infringe. **Of course, if he makes unlicensed copies, for example by loading the software onto numerous additional computers, he will infringe copyright."**

[Emphasis Added]

[41] In the present appeal, the undisputed evidence adduced via the affidavits disclosed that on 29 January 2021, Proactsys, the plaintiff's independent License Compliance Partner, through its License Compliance Manager, Mr Simon Wong Kok Sum, visited the defendant's business premises in Subang Jaya and met with Mr Jerry Sirat, the Defendant's Executive Director.

[42] After learning that the visit aimed to verify the use of any unlicensed copies of the plaintiff's Software, Mr Jerry Sirat permitted a Software License Review on the Defendant's HP laptop named "DESKTOP-9BSVVES." The Software License Review revealed a tampered plaintiff's license file, "Imgrd_SSQ," located in the Local Disk C drive of the HP laptop (the "Tampered License File").



[43] The On-Site Review Report by Mr Simon Wong Kok Sum confirmed that the Tampered License File is a cracked file enabling access to all modules of the plaintiff's NX12 computer program.

[44] Added to that, in a letter dated 1 February 2021, the defendant admitted that, after conducting its own investigation, it discovered that an employee had downloaded and used an unlicensed copy of the plaintiff's NX12 computer program (the "Counterfeit NX12 Computer Program").

[45] Indeed, the plaintiff had confirmed that it never issued any license to the defendant for the reproduction of the Software, and the Defendant failed to produce any license. Therefore from the site visit, the On-Site Review Report and the defendant's admission that its employee had downloaded the Software onto the defendant's computer, we are of the considered opinion that this act constitutes a reproduction of the Software, and since it was done without the plaintiff's license or consent, it constitutes copyright infringement.

Inference Of Hacking

[46] However, the learned Judge made an inference that SISW or Proactsys might have hacked into the defendant's computers, and this constitutes a triable issue. We are of the considered opinion that this finding is not supported by any evidence from the defendant as the allegation of hacking was never raised in any of the defendant's affidavits in the High Court, but was only raised in the defendant's written submissions.

Misrepresentation And Undue Pressure

[47] With regards to the letter of apology dated 1 February 2021, the learned Judge found that the defendant's letter of apology was issued under misrepresentation and undue pressure.

[48] However, we find that the wording of the letter of apology dated 1 February 2021 is clear and unambiguous. The signatory, Mr Jerry Sirat, the Managing Director of the Defendant, is unlikely to have been pressured by Simon Wong of Proactsys or SISW to issue the letter if the claims of downloading and using the Counterfeit NX12 Computer Program were false.

Defendant's Lack Of Knowledge Of The Download

[49] The defendant asserted that it had no knowledge of the download by its employee and this was accepted by the learned Judge as a triable issue.

[50] However, we agree with the plaintiff that it is immaterial whether the defendant has intention or knowledge of the download or use of the Counterfeit NX12 Computer Program since innocence is not a defence to copyright infringement.



[51] In *Mohd Syamsul Md Yusof & Ors v. Elias Idris* [2019] 5 MLRA 10, the Federal Court referred to the case of *Francis Day & Hunter v. Bron* [1963] Ch 587 and cited Diplock LJ's view that neither the defendant's intention to infringe nor knowledge of the infringement is required to establish a cause of action for copyright infringement.

[52] In *Elster Metering Limited & Anor v. Damini Corporation Sdn Bhd & Anor* [2013] 1 MLRA 650, this Court ruled that a defendant cannot use the following defences in a copyright infringement suit:

- (i) Lack of knowledge about the infringement; and
- (ii) Lack of intention to infringe the plaintiff's copyright.

[53] As such, we are of the considered opinion that the learned Judge has erred in law in making a finding that the defendant's lack of knowledge of the download is a triable issue, as this is contrary to established legal principles that liability for copyright infringement is strict and does not require knowledge or intent.

Vicarious Liability

[54] The learned High Court Judge had also accepted the defendant's argument that after an internal investigation, it found that its employee, Mohd Feroz, used the software for personal study to enhance his skills. However, the defendant also argued that even if the employee's actions constituted copyright infringement, as an artificial entity, it cannot directly commit the infringement. Therefore, the learned Judge held that the plaintiff must prove that the defendant can be held vicariously liable for the employee's actions, which should be determined at a full trial. The learned Judge then concluded that the defendant, as an artificial personality, could not be held liable for the employee's actions.

[55] In *Roshairree Abd Wahab v. Mejar Mustafa Omar & Ors* [1996] 1 MLRH 548, James Foong J (as he then was) held:

"Though the 1st defendant's acts of assault were unauthorised by the 3rd defendant, they were carried out during the normal course of duty of the 1st defendant.

Such being the case, his unauthorised acts have become so connected with his authorised acts that this Court finds them to have become "modes – although improper modes – of doing them." For this, the 3rd defendant must be held vicariously liable for the unlawful actions of this defendant."

[56] In *Maslinda Ishak v. Mohd Tahir Osman & Ors* [2009] 2 MLRA 609, this Court has rejected the 2nd defendant's (employer) submission that the 1st defendant's action (employee) was "frolic of his own". Since the High Court Judge made a finding that the 1st defendant, a RELA member and Government employee, was at the scene in an official capacity to assist JAWI in their operation, that



he was under the direction of both RELA and JAWI, and his duties included ensuring security and overseeing those arrested, he was acting in his official duties. Thus when the 1st defendant took unauthorized photographs during this operation, his actions were closely related to his assigned duties. As such, the respondents (the 1st defendant's principals) are vicariously liable for his actions. The court concluded that the respondents must bear the liability jointly and severally, as the 1st defendant was acting within the scope of his authority, making his principals responsible for his wrongful act.

[57] In the present appeal, the undisputed fact is that Mohd Feroz, an employee of the defendant, was hired to work at the defendant's premises. The defendant's claim that Mohd Feroz downloaded the Counterfeit NX12 Computer Program for personal educational use is not supported by any documentary evidence. Since the program was found on Mohd Feroz's work laptop and used during his employment, we are of the considered opinion that the defendant should be held vicariously liable.

[58] We find that the learned Judge's finding that the defendant, as an artificial entity, cannot commit infringement does not absolve it from liability for its employee's actions in copyright infringement.

Conclusion

[59] For the aforesaid reasons, we are of the considered opinion that the learned Judge has committed an error of law that warranted our appellate intervention. The appeal is therefore allowed, the decision of the learned Judge is set aside and summary judgment is entered against the defendant in terms of the Statement of Claim.

