Berjasa Informatiom System Sdn. Bhd. v Tan gaik Leong (t/a Jurukur Berjasa) & Anor

Introduction

The High Court of Kuala Lumpur delivered the first decision in Malaysia that estoppel is applicable in copyright. In *Berjasa Information System Sdn. Bhd. v Tan Gaik Leong (t/a Jurukur Berjasa) & Anor*[1] (hereafter referred to as the '*Berjasa* case'), the court held that the conduct of the defendants and their act of silence had estopped them from claiming ownership of the copyright.

The judgment in the *Berjasa* case is a marked and questionable application of estoppel in copyright. A year earlier, the Federal Court in *Boustead Trading (1985) Sdn. Bhd. v Arab-Malaysian Merchant Bank Bhd.*[2] took a broad view that the doctrine of estoppel is a flexible principle and the circumstances where the doctrine may operate are endless.[3]

Prior to the decision in the *Berjasa* case, there was reluctance in the Malaysian court to invoke estoppel in copyright cases. No special reasons are evident but possibly, estoppel was thought to be irrelevant in copyright or the cases could be decided without applying estoppel. In other areas of Intellectual Property, estoppel and acquiescence have been adopted as a defence.[4]

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[1][1996] 1 MLJ 808.

[2][1995] 3 MLJ 331.

[3]*Ibid*, per Gopal Sri Ram JCA, at page 344.

[4]See for example *Smith Kline & French Laboratories Ltd. v Salim (Malaysia) Sdn. Bhd.* [1989] 2 MLJ 380.

The Background

The plaintiff company was incorporated by one Aw and the first defendant for the purpose of proposing and supplying a software system to the second defendant for its map and asset management project. The proposal was prepared by the plaintiff's company and presented to the second defendant in the name of the first defendant. By a letter dated 10 January 1991, the first defendant assigned the development of the project (save for the surveying part of it) to the plaintiff's company. The plaintiff's company accepted the assignment. The first defendant then entered into an agreement with the second defendant, whereby the first defendant was described as a consultant. It was also provided in the agreement that the copyright in the software should remain the property of the first defendant. Aw, in his affidavit, affirmed that he was the author of the software, which he prepared for and on behalf of the plaintiff's company. In the circumstances, the copyright of the software system belonged to the plaintiff's company.

It was not in dispute that at the start of the software system, the plaintiff's company copyright notice was displayed as part of the software system. The defendants had been using the software since 1991 and had not registered any objection over the plaintiff's company claim to the copyright as displayed in the notice. However, on 4 September 1993, the first defendant, relying on the agreement entered into between himself and the second defendant, claimed copyright over the software system.

The Plaintiff's Case

The plaintiff company applied to the High Court for a declaration that the software system was owned, with regard to the copyright, by them. They also sought a further declaration that they are entitled to display the copyright notice on the software system. The plaintiff company relied on estoppel. They submitted that the first defendant was estopped from claiming copyright to the software as neither defendants had, prior to September 1993, registered any objection nor protest over the plaintiff's claim to copyright as displayed in the copyright notice.

The Decision of the Court

The judgement of the court was uncomplicated and devoid of complicated legal jargon. On the ground of estoppel, the learned judge said he need only refer to the case of *Boustead Trading* where Gopal Sri Ram JCA applied the doctrine of estoppel. The conduct of the defendants in this case and their act of silence had estopped them from now claiming ownership of the copyright.

Discussion

The *Berjasa* case, though it is a marked event, did not provide any elaboration on why and how estoppel is relevant. The judge merely stated that he need only refer to the *Boustead* case. The decision therefore, may be thought to be less useful than one with a fuller discussion on how estoppel is applicable in copyright.[5] Nevertheless, it is interesting to note that in the *Berjasa* case, estoppel was used as a sword rather than a shield.[6]

One question remains to be answered - whether it is necessary to invoke estoppel in the *Berjasa* case. The judge relied on estoppel to conclude that the plaintiffs have copyright in the software. It must be remembered that in Malaysia, copyright law is governed by the Copyright Act 1987. The Act expressly provides that the name on a work purporting to be the name of its author, shall be considered as such, unless the contrary is proved.[7] On the facts, Berjasa's copyright

[5]See the recent Federal Court of Australia decision in *Australian Olympic Committee Inc v The Big Fights Inc* [1999] FCA 1042.

[6]This is self-evident when the plaintiff relied on estoppel when they submitted that the defendants were estopped from claiming copyright. See also the *Boustead* case, at page 345, where Gopal Sri Ram JCA observed that "we would add that it is wrong to apply the maxim 'estoppel may be used as shield but not as a sword' as limiting the availability of the doctrine to defendants alone. Plaintiffs too, may have recourse to it."

[7]Section 26(4)(a).

notice appeared on the screen. Intrinsically, Berjasa shall be considered as the author of the software system, unless the contrary is proved. Unfortunately, no reference was made to this provision. It was not known why the section was not referred to but presumably, the court was inspired to follow the decision in the *Boustead* case. With due respect, it is suggested that where there is a specific provision in an Act, regard must first be made to the provision.

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